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THE SERIALS DIVISION

Ian Hollander/Reuters

MIDDLE EAST SNOWSTORM — An Orthodox Jew praying Thursday at the Western Wall in Jerusalem during the region's heaviest snowfall in decades. Page 2.

Are Women Destined to Outpace Men?

By Boyce Rensberger
Washington Post Service

On the track, perhaps more than in other fields, women are catching up to men and, if trends continue, may pull even and perhaps eventually outrun them.

According to two scientists who study athletic performance, the speed of champion female runners in recent decades has been increasing so much faster than that of top male competitors that by 1998, both sexes could complete a marathon in the same time: 2 hours and 2 minutes.

That is about 5 minutes faster than the current men's world record, and 19 minutes faster than the women's record.

In shorter races, where running speeds are higher and men now have a greater advantage, it will take women until the second quarter of the next century to catch up, if present projections hold.

Around 2027, the scientists predict, both the men's and the women's world records for the 1,500-meter event will be 3 minutes 13.6 seconds.

To reach that time, men would have to better the current record by about 16 seconds while women will have to cut a full 39 seconds from their current best.

Parity in the 200-meter race would come around 2050 with a time of 18.6 seconds — more than a second faster than the current men's record and nearly 3 seconds under the women's record.

The scientists, who reported their findings in the current issue of Nature, concede that the idea of women running as fast as men flies in the face of conventional thinking. For one thing, as matters stand now, not one of the world's record-holding women could meet the qualifying standard for men to compete in the 1992 Olympics.

"If it weren't for the imperative of the data forcing me to this conclusion, I would have called this implausible and outlandish," said Brian J. Whipp, a physiologist at the medical school of the University of California at Los Angeles. He specializes in research on how the body controls oxygen use during athletic activity. Mr. Whipp made the projections with Susan A. Ward, also at UCLA.

Mr. Whipp and Ms. Ward emphasize that they made a simple-minded extrapolation that assumes that no limiting factors will come into play as records continue to be broken.

"We know there have to be limits, but there's no way to tell when they might be reached," Mr. Whipp said.

When he and Ms. Ward began their eight-decade study of world track records, they assumed that they would find the rate of improvement slowing down.

"We hoped to see a sign that runners were approaching a limit," Mr. Whipp said. "That would have told us something about the limits of human physiology." He said that they were surprised to see

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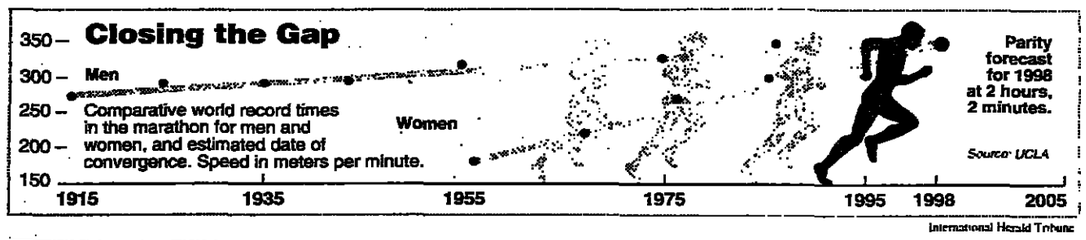

International Herald Tribune

Bush Weighs Military Cuts to Trim Taxes

By Ann Devroy
Washington Post Service

WASHINGTON — President George Bush said in an interview to be broadcast Friday night that he was considering additional reductions in military spending because of the collapse of the Soviet Union, and he suggested a willingness to renegotiate the 1990 budget agreement to allow funds earmarked for the military to be shifted to domestic spending or tax cuts.

The White House had previously rejected any suggestions that the 1990 budget pact be altered for fear the overall agreement would collapse and along with it any discipline on federal spending. But Mr. Bush, in an Oval Office interview with David Frost on Dec. 23, said "there may be room for some maneuvering" within the budget agreement, and added, "There are ways to live within the caps and then juggle around inside, but that would take new legislation."

The budget director, Richard G. Darman, briefed members of the cabinet Thursday on the broad outlines of the budget and officials report that Defense Secretary Dick Cheney and Mr. Darman have reached an agreement on the level of new military cuts.

Elements of Mr. Bush's economic growth package, which will be part of the president's State of the Union address on Jan. 28 and his new budget submission the next week, are not decided, officials said.

A senior official said that the savings in defense are "likely" to be used to pay for a middle-class tax cut the White House has said it is considering.

The 1990 agreement provides for spending ceilings in defense, international and domestic spending and erects a "wall" between the categories: Savings in one area cannot be spent in the other. Under the current agreement, defense cuts beyond those already called for over the next two fiscal years of the pact can be used only to reduce the deficit unless the legislation is changed.

Asked if he could find an additional $50 billion in defense cuts, Mr. Bush said Mr. Cheney was being "extraordinarily cooperative in trying to come to the president with recommendations in that very area."

While he stopped short of backing any specific level of new cuts, Mr. Bush added, "With our enormous successes around the world, I think there are ways that we can save more in defense and I think the secretary feels that way."

Mr. Bush and his top advisers held year-end meetings on the new budget and economic growth package. Mr. Bush, who with other advisers is overseas on an Asian trip until Jan. 10, and Mr. Darman and Samuel K. Skinner, the White House chief of staff, are to make some final decisions by phone next week, administration officials said Thursday.

There have been widespread but unconfirmed reports that the Pen-

See BUDGET, Page 3

Prices Soar As Russians Move Toward Free Market

Dazed Shoppers Face Threefold Increase but Shelves Remain Barren

By Fred Hiatt
Washington Post Service

MOSCOW — Russians greeted with gloom, resignation and a smattering of hope the sharply higher prices for basic goods imposed Thursday in what their leaders billed as an essential first step toward a market economy.

Venturing out in the morning in swirling snow under a low, gray sky, Muscovites found the prices of bread, milk, gasoline and other essentials at least three times higher than before the New Year holiday.

They also found their neighborhood shops grimy, as dimly lit and nearly as empty as they were two days earlier.

A few shoppers said they accepted the logic of the Russian president, Boris N. Yeltsin, that this "most painful measure" is necessary to stimulate production and begin repairing the damage of 74 years of centralized Communist rule.

Mr. Yeltsin said that higher prices, along with widespread privatization of land and factories to follow soon, will stabilize the Russian economy by year's end.

"Everything will get better eventually," said Naum Snieg, 75, a retired professor of engineering. "In the meantime, we simply will eat less."

But Natasha Simyonova, 51, seemed more typical. She wept as she left a small café where she found she could no longer afford meat dumplings, the only dish on Thursday's menu.

"We will all die of hunger," said Miss Simyonova, a nurse in a children's clinic. "People curse and condemn Stalin, but at least in his day we knew prices would go down every March."

Miss Simyonova said she earned 280 rubles per month, less than $3 at the current exchange rate. On Thursday, she found that a plate of dumplings cost 8 rubles, up from about 2; a loaf of bread had increased to about 3 rubles, up from less than 1; and a kilogram (2.2 pounds) of sausage cost about 70 rubles, or a week's wages for her.

"Gorbachev destroyed everything, and then took off," Miss Simyonova said. "And Yeltsin is no more trustworthy."

On Thursday, with many stores still closed for the holidays and others without new deliveries, the price increases seemed to have little relation to the beginning of a free market. The production and distribution system remained essentially unchanged, controlled by the same bureaucrats as before, and prices seemed little connected to laws of supply and demand.

Small and greenish mandarin oranges retailed in the state store for 25 rubles a kilogram. At a nearby farmer's market, where farmers from Russia and Central Asia have been permitted to set their own prices for several years, better-looking mandarins sold for twice as much.

[In Ukraine, which also freed its prices on Thursday, local journalists said basic goods cost three to six times as much in the first day of free prices, Reuters reported.

[Ukraine will give 400 rubles worth of coupons to each resident beginning next week, to complement an unchanged salary. The coupons, also being introduced in Belarus, where prices will be freed on Friday, are a defensive measure against Russia's unilateral price increases.]

The manager of Moscow Grocery No. 33, identifying herself with her first and middle names as Valentina Nikolaevna, said she had received revised price lists from Moscow city officials for everything in her store, raising prices by 300 to 400 percent.

"We don't decide anything," she said. So far, she had not received the goods to go with the prices.

In her store on Thursday, retired people in

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Bush Pledges 'Constant' American Role and Purpose in Pacific

President Says U.S. Security Is 'Inextricably Linked' to Asia

By John E. Yang
Washington Post Service

CANBERRA — President George Bush pledged Thursday that America's role and purpose as a Pacific power would "remain constant" despite the passing of the Soviet threat and a planned reduction of the U.S. military presence in the region.

Mr. Bush's remarks to the Australian Parliament were intended to reassure Pacific Rim nations that U.S. preoccupation with events in the Middle East and the nascent Commonwealth of Independent States did not reflect a lack of concern with the area.

"We intend to remain engaged, no matter whatever the changing security arrangements of our time," Mr. Bush said. "And we know that our security is inextricably linked to stability across the Pacific, and we will not put that security and stability at risk."

The president and other administration officials also have sought to underscore the diplomatic aspects of the two-week mission to Australia, Singapore, South Korea and Japan, reflecting concerns that the emphasis on

Tokyo hopes it can do a friend a favor. Page 3.

international trade and American jobs may have created unrealistic expectations in America and resentment among Mr. Bush's hosts.

Mr. Bush said at a press conference that the large American trade deficit with Japan was a contributing

See BUSH, Page 3

Australians Fear a 'Grim Slide' as Japanese Power Expands

By Michael Wines
New York Times Service

CANBERRA — President George Bush wound up a three-day visit to Australia on Thursday having proven his will to keep the United States preeminent in Asia, but failing to dispel a gnawing fear that he lacks the means to do so.

Just as in Washington, Australian officials said Thursday, the worries here center on Japan, whose growing influence the United States seems pressed to balance, much less channel to its own benefit.

In Asia and in Washington, where Mr. Bush has elevated his unhappiness with Japanese trade barriers into a major election-year issue, the president's visit to Tokyo next week has become the focus and the climax of his four-nation Pacific tour. In that respect, Australia has not given that tour an auspicious start.

"We're not thinking about anything sudden," one Australian official who was involved in the talks with Mr. Bush said of the fears of an American retreat from the region. "We're talking about a grim slide. If the U.S. decides in the end to concentrate on its sphere of influence and leave the area to Japan, Australia is going to be much the poorer.

"It's a lot better for us if we can keep you two wired together some way."

The worry that Washington and Tokyo will not find common ground in the Pacific, and that Tokyo eventually will seek to push the United States out of a position of influence, is a frequent topic lately in discussions

See PACIFIC, Page 3

Germans Open Stasi Files, But Few Come to Peek In

By John Tagliabue
New York Times Service

BERLIN — Former East Germans, who were subjected to Orwellian eavesdropping in their defunct Communist state, began descending Thursday into the heart of the Stasi secret police to examine once clandestine files.

The files, which were opened by a law adopted by the parliament in Bonn in November, will tell them which neighbors, perhaps which relatives and friends, were reporting their actions over the years to the Stasi, which employed about 85,000 agents to keep track of perhaps a half million informal collaborators, as a means of preventing assaults great and small against the former Communist regime.

A recurring theme in many commentaries is that the opening of the files will pit friend against friend, family member against family member, as people in Eastern Germany learn from their files the identity of informers. The shock moreover, hits them at a time when society is stretched by high unemployment, rising crime rates and other unaccustomed realities.

Perhaps for that reason there was little evidence of the storm of interest many had predicted. In the gray stone building in Berlin's Behrenstrasse that houses the agency responsible for granting access, only a trickle of interested persons, mainly artists, writers and human rights activists, showed up.

Rainer Eppelmann, a Protestant pastor who was the last defense minister of East Germany before it melded into the West two years ago, said perusal of two volumes of files revealed 40 informants with cover names like Otto, Ralf and Sirius.

Lutz Rathenow, an East Berlin author, accused the Stasi of poisoning East Germany for 40 years. "This searching of the files is a first step toward detoxification," he said.

Whether the present legislation will remove the poison, or hasten its spread through the social body, remains to be seen.

But Joachim Gauck, another former pastor who runs the Berlin-based agency that has custody of the files, said citizens had picked up

See STASI, Page 3

Bonn to EC: Sprechen Sie Deutsche?

The Associated Press

BONN — Chancellor Helmut Kohl has asked the European Community to give the German language equal weight with English and French in EC affairs, a spokesman said Thursday.

The request comes as Germany expands its influence within the EC and in Eastern Europe, at times to the annoyance of its allies.

A government spokesman said that the German language often takes a back seat to English and French in EC affairs.

"We have always had a problem that English and French have been first when it comes to EC documents," the official said. "Naturally, we want German to be appropriately acknowledged."

Mr. Kohl wrote to the president of the EC Commission, Jacques Delors, asking that the status of the German language be elevated within the EC, the spokesman said.

Mr. Kohl based the request on Germany's increased size and political stature, the spokesman said. As a result of the 1990 merger of the two German states, German is the mostly widely spoken language within the EC. Its influence is also growing in Eastern Europe because of German business interests there.

Bonn has exercised growing boldness within the EC in the last several weeks, leaving a distinct German imprint on EC matters.

For example, Germany won EC support last month for recognizing Croatia and Slovenia, even though the United States, the United Nations, and some EC countries opposed the idea. Because Bonn was threatening to recognize the two Yugoslav republics by itself, the EC had little choice but to follow Germany rather than risk a blow to unity.

Kiosk

Israel Will Expel 12 Palestinians

JERUSALEM (AP) — Israel's military command said Thursday night that 12 Palestinians suspected of guerrilla involvement would be ordered expelled, a move that could raise a snag for the Middle East peace talks.

The decision was made in response to the slaying Wednesday of a Jewish settler near a refugee camp in the Gaza Strip.

Related article, Page 2

General News
Paul Tsongas, running for U.S. president, has a stirring message monotonously delivered. Page 5.

Leisure
On this week's menu, the theater in London, New York and Paris, a culture quiz, food trends and a search for zen hideaways in Japan. Pages 6 and 7.

Crossword Page 7.

Dow Close	The Dollar In New York	
Up 3.58 3,172.41	DM	1.5302
	Pound	1.8665
	Yen	124.38
	FF	5.225

Spain: A Mortgage On Success

For all its progress over the last decade, and for all the hoopla surrounding this year's Summer Olympics in Barcelona and the Universal Exposition in Seville, Spain is still far from reaching many of its long-term economic and political goals. On Monday, the International Herald Tribune begins a weeklong series of articles looking into how well Spain's performance matches up to the fiesta spirit.

I.P. Palmier/Reuters

'NO' TO FUNDAMENTALISM — Hocine Ait Ahmed, the leader of the Front for Socialist Forces, with a banner reading "Peace for Democracy" during a march Thursday in Algiers to register opposition to Islamic fundamentalism. At least 100,000 people demonstrated. Page 2.

Yugoslav Sides Agree to Broad Cease-Fire Pact

By Chuck Sudetic
New York Times Service

BELGRADE — Yugoslav Army and Croatian military leaders pledged Thursday to end hostilities on the war front in Croatia as of 6 P.M. Friday local time.

"Each party agrees to the complete cessation of all hostile military activity on land, at sea and in the air," says the accord signed Thursday by General Andrija Raseta of the Yugoslav Army and Gojko Susak, the Croatian defense minister, after four hours of negotiations in Sarajevo.

The agreement, if honored by the warring sides, will be a triumph for Cyrus R. Vance, the UN special envoy, who is on his fifth peace mission to Yugoslavia and who arranged and chaired the talks Thursday.

There is considerable skepticism, however, that an end to the six-month Serbian-Croatian war is at hand, and no sign of a resolution of Yugoslavia's underlying political conflict has appeared.

Mr. Vance's present trip to Yugoslavia has produced the most significant progress to date toward ending the violence in this country, which has already claimed thousands of lives, driven about 600,000 people from their homes and leveled scores of towns and villages.

The accord Thursday obligates troops not to return fire if fired upon without first taking recourse to a liaison network linking sector commanders on both sides of the front lines. The parties have promised to cooperate with third-party monitoring mechanisms to be established for investigating cease-fire violations.

See TRUCE, Page 3

100,000 in Algiers March to Protest Any Islamic Rule

By Youssef M. Ibrahim
New York Times Service

PARIS — At least 100,000 people demonstrated Thursday in Algiers, chanting slogans against the fundamentalist group that emerged as the country's strongest political party in last week's parliamentary elections.

The march was the first public reaction by dozens of anti-fundamentalist groups and political parties to the elections in which the Islamic Salvation Front triumphed over 48 other political parties that contested the country's first free elections.

The march through the capital came as a growing number of Algerian groups, including the country's largest workers syndicate, the General Union of Algerian Workers, several women's associations and secularist parties, are demanding that the second round of parliamentary elections be canceled.

Parliamentary elections last week placed the Islamic Front just 28 short of a majority in the 430-member parliament. The next round of elections is scheduled on Jan. 16.

Some of these groups are openly calling on the government, and the Algerian Army, to intervene in order to prevent an almost inevitable triumph of the Islamic Salvation Front in the next round. Candidates of the Islamic Front are leading in at least 150 of the 199 electoral districts that remain to be decided.

News agency reports from Algiers placed the number of demonstrators at a minimum of 100,000. Some reported as many as 300,000.

According to final official results of the first round of elections, announced only in the past 24 hours, a secularist party with a strong base in the Berber tribal Kabylia region, the Front for Socialist Forces, has won 25 seats. This put it a poor second to the Islamic Front, while the ruling National Liberation Front, which has governed Algeria for 30 years, came in third with 15 seats.

Still, Hocine Ait Ahmed, the leader of the Front for Socialist Forces, as well as senior officials of the ruling party asserted Thursday that they were opposed to any government interference in the democratic process.

"Our people want a radical change," Mr. Ait Ahmed told the French newspaper Libération in an interview published Thursday. He added, however, that "a democratic crisis can only be settled by more democracy."

Several senior government officials have said in telephone interviews over the past two days that they doubted the government would do much to prevent elections from going on as scheduled.

"We can't really do anything of the sort," said a senior cabinet minister who asked not to be identified. He added that any such action "would not accomplish anything anyway. It will simply push the problems aside for a while and may provoke acts of violence that are more grave than the results we are facing now."

The official said there was "still a ray of hope" that the Islamic Front's candidates could be prevented from getting a two-thirds majority of the 430 seats in the new National Assembly, or parliament. If they do win a two-thirds majority, the fundamentalists would have the means to change the Algerian Constitution, something that cannot be done by a simple majority vote in the National Assembly.

Still, the push for something to stop the fundamentalist march toward power continues to grow amid much of the independent press.

The inclusion of representatives of the General Union of Algerian Workers was seen as a significant development since its members work in key industrial and governmental sectors, including the vital oil sector.

The union is widely viewed as hostile to fundamentalism. Last June, it resisted a call by the Islamic Salvation Front to strike, a move that eventually led to acts of violence by fundamentalists and the imposition of martial law.

The secularist groups have now called for general strikes to paralyze the country.

The Associated Press

Two women passing a checkpoint Thursday that was manned by opposition gunmen near the parliament building in Tbilisi.

Georgia Rebels Form 'Ruling' Military Council

The Associated Press

TBILISI, Georgia — Georgian opposition leaders on Thursday announced the formation of a military council to replace President Zviad Gamsakhurdia, but there appeared to be no indication that he was prepared to surrender.

After 12 days of fighting between rebel forces and Mr. Gamsakhurdia's men, the president remained inside the besieged parliament building in Tbilisi.

The opposition also declared a state of emergency in Tbilisi, the capital, where the fighting has been concentrated, starting at midnight. A curfew was announced beginning at 11 P.M. and ending at 6 A.M.

"Beginning Jan. 2 this year, the power usurped by President Gamsakhurdia has been annulled," the announcement said. "The whole power in Georgia is taken by the military council of the Georgian republic. All the structures of state powers are to abide by this council."

There was no immediate reaction from Mr. Gamsakhurdia, who was still being defended by loyal troops at the parliament building.

It was not immediately clear whether there was broad popular support for the announcement.

The opposition's announcement was made in a television broadcast. It banned all demonstrations and rallies in the city.

Economic Shock Therapy Can Work, Poles Prove

By Blaine Harden
Washington Post Service

WARSAW — Poland was the first guinea pig. Two years ago this week, Poles offered up their economy to shock therapy. Russia signed on for a similarly drastic course of treatment, which started Thursday.

If Poland is any precedent, Russians are in for considerable unpleasantness. There will be unprecedented unemployment and a flush of inflation. There will also be confusion, fear and gross inequities, not to mention noxious side effects like bank swindles, street crime and fast-buck artists in shiny new cars.

Yet, if Poland is any precedent, shock therapy will probably work in Russia, albeit with nagging aches and pains.

As Russians head into free-market reality, there is strong evidence here in Eastern Europe's most populous country that the capitalist cure is taking, and that the worst is over.

Real incomes have begun to rise. Inflation is slowing. Private industry is booming, finding new markets in the West.

Shock-therapy policies, although softened somewhat by political necessity, have survived the demise of two elected Polish governments. The third government, born in December of a wobbly parliamentary coalition, appears to have concluded that there is no viable alternative to what President Lech Walesa once called "the bandit approach."

"Queues have disappeared, shops are full, money has its value," Mr. Walesa said Tuesday in a year-end speech that was not quite cheerful. "Let's not ignore our achievements, although I know we need more, better and faster."

A majority of Poles, despite soaring prices and an unemployment rate of 12 percent, want the government to speed up the transition to capitalism, according to a year-end opinion survey.

Equating Poland or any East European nation to Russia is, of course, suspect. Communism smothered Eastern Europe for four decades; it lasted seven decades in the old Soviet Union. Russia never experienced the capitalist industrial development that had spread across much of Czechoslovakia, Hungary and Poland before World War II.

Prior to the revolutions of 1989, the former East bloc had managed to preserve a few important market mechanisms, such as small private farms in Poland or competitive international trading in Hungary. Perhaps most important, political support for wholesale economic change was much stronger in Eastern Europe in 1989 and 1990 than it appears to be now in Russia.

Yet, while the severity of the illness may differ, Russia and Eastern Europe share many of the same basic economic diseases. In any case, there is no other precedent for the post-Communist economic revolution that the Russian president, Boris N. Yeltsin, is demanding.

A majority of Poles, despite soaring prices and an unemployment rate of 12 percent, want the government to speed up the transition to capitalism, according to a survey.

To find clues as to what might happen in Russia now that price controls have been lifted and attempts begun to privatize a vast, moldering socialist economy, the most useful case study is Poland. Hungary and Czechoslovakia, which are smaller, richer and more developed, were able to afford a relatively gradual approach to change. Their economies never approached the free fall now occurring in Russia. Poland's did.

In 1989, shelves in food stores here were bare, lines were long and inflation was howling along at more than 2,000 percent. Under the tutelage of some of the same Western economists, such as Harvard University's Jeffrey Sachs, who are now advising Mr. Yeltsin's economic team, the Polish government decided that the only solution was shock therapy.

Price controls were lifted as wages were frozen, and the average Pole's buying power skidded downward by more than a third. But even as a frightening gale of "adjustment inflation" blew, shops were filling with food and consumer goods. They were expensive, but they were there. Lines were gone in three months.

Stores themselves picked up and moved. Private merchants, operating out of the trunks of their cars, appeared on sidewalks and parking lots all over Poland. The competitive pressure on state-owned stores was excruciating and, in many cases, lethal.

Within 20 months, more than 90 percent of all retail trade was in private hands. Successful merchants moved off the sidewalks and into newly painted and smartly refurbished stores.

In the meantime, using a tight-fisted monetary policy that Russian economists say they want to imitate, Poland broke a long Communist habit of printing money to solve worker discontent.

With the money supply under rein, the zloty firmed into a stable currency. The black market for currency, like the gloomy state-owned shops with their famously surly salesclerks, was shocked into nonexistence.

After two years of this therapy, the Polish government reports that privately owned industry is steaming along with a 20 percent annual growth rate. The World Bank estimates that it now accounts for more than 30 percent of all production — triple its role in 1989.

The speed with which these changes occurred in Poland suggests that recent dire forecasts in Russia about food shortages, long-term hyperinflation and mass discontent may be overstated.

But Poland's continuing severe problems in selling off or even waking up its giant state-owned industrial sector suggest that Russian plans for a crash sale of large enterprises will bog down and that entrenched Communist-era managers will be able to hold onto power and block structural change.

Analysts say many holdover managers in state industry continue to survive without looking for new foreign markets and without streamlining their companies for competition. They have done so by raising prices, selling off inventories, winning sweetheart loans from other state enterprises and obtaining bank credits. It seems likely that Russian managers will attempt similar Communist-style survival tactics.

Polish leaders have a nagging backache that is sure to afflict their peers in Russia. They have yet to come up with a politically acceptable way of killing off large money-losing industry. They lack the political muscle or will to force mass bankruptcies, which would put hundreds of thousands of people out of work.

The number of unemployed Poles already has reached 2.1 million and is still growing, despite 1.6 million new private jobs.

Pressure from state-owned industry, which remains the major employer of unskilled workers, is forcing the newly elected government of Prime Minister Jan Olszewski to back away from a punitive tax regimen designed to dismantle companies that move too slowly to privatize.

Another chronic problem in post-Communist Poland that is likely to have a disturbing echo in Russia is the absence of financial institutions — the most significant being a strong central bank.

The collapse of the old security-obsessed Communist regime left a money-strapped government that could not afford a bloated police apparatus. Large cuts in the police force were unavoidable.

The result is a disturbing increase in organized crime, armed gangs, smuggling, forgeries and assorted business scandals.

This pattern of lawlessness, already reported to be growing in many parts of the old Soviet Union, seems certain to spread in Russia as it enters the free-market waters.

Flooding And Snow Hit Mideast

Compiled by Our Staff From Dispatches

AMMAN, Jordan — Snowstorms isolated major cities in the eastern Mediterranean region Thursday, and torrential rains flooded Jordan, Lebanon, Syria and Israel on the third day of unusual heavy storms.

Storms rolled across Egypt's western desert, and high seas closed Alexandria Harbor, the country's main port.

Jordan endured its worst snowstorm in 68 years, and Israel experienced perhaps the worst weather in its 43 years as a state, meteorologists said. More heavy snow was forecast.

Highways throughout Jordan were blocked by snow, and Queen Alia Airport was closed for five hours until army and civil defense teams cleared away up to 76 centimeters (2.5 feet) of new snow.

Parts of Tel Aviv were flooded by rain and more than 40 centimeters of snow fell on Jerusalem, shutting the country down.

In eastern Turkey, temperatures fell to minus 20 degrees centigrade (minus 4 Fahrenheit). Schools closed throughout the east and in parts of western Turkey.

Despite the problems, the storms were a boon for a region where strict water rationing has been imposed because of meager rainfall totals in recent years.

Empty reservoirs were filling fast. In Jordan, officials reported reservoirs approaching 50 percent capacity.

Israel's national water carrier, Mekorot, announced Wednesday that it was pumping water into underground reservoirs for the first time in decades.

In Cyprus, where ski slopes in the Troödos Mountains were back in business, reservoirs have risen from 26 percent capacity, from 8 percent, in less than a month. Officials said it was the wettest December since 1911 and that a two-year drought threatening agriculture and tourism was coming to an end.

(AP, Reuters)

Israeli Budget Deal: More West Bank Settlements

By Jackson Diehl
Washington Post Service

JERUSALEM — Prime Minister Yitzhak Shamir overcame a parliamentary impasse Thursday and won approval for a 1992 government budget that foresees the construction of 5,500 new housing units in the occupied territories and provides tens of millions of dollars for new roads and other services for Jewish settlers.

The $46.5 billion budget, approved by the Knesset late Thursday, 60 to 53, was passed two days late after weeks of bargaining between Mr. Shamir's Likud party and the small religious and nationalist parties in its rightist coalition.

Opposition legislators said Thursday that two small rightist parties succeeded in adding $75 million in new financing for roads, schools and new settlements in the occupied West Bank and Gaza Strip in exchange for their votes.

Government officials confirmed that rightist legislators and settlement leaders had also been promised that 5,500 of the 19,500 state housing units financed in the budget would be built in the West Bank, Gaza and the annexed Golan Heights. Of these, nearly 5,000 will be in the West Bank, where Israel is carrying out the largest settlement construction program in its 24-year-rule of the area.

The budgetary decisions came only a month before Israel is expected to renew its request to the United States for $10 billion in loan guarantees to finance the absorption of Soviet immigrants. The Bush administration has hinted in the past that it might condition any such guarantees to Israel on the curtailment of settlement construction in the territories.

American Jewish organizations as well as Israel's ambassador in Washington have warned that it might be impossible to obtain the guarantees if settlement construction continues. Nevertheless, the approved government budget assumes that Israel will receive the first $2 billion in U.S.-backed financing this year.

Dedi Zucker, a leftist parliament member, noted that if Israel failed to obtain the financing, the $3 billion deficit planned in the budget could balloon to $5 billion or more, or nearly 10 percent of Israel's gross national product. "This is a very risky situation," he said.

Government officials pointed out that the planned 5,000 additional apartments for the West Bank were considerably less than the nearly 20,000 units approved for the territories over the last 18 months. U.S. officials, they said, should realize that Mr. Shamir is considerably slowing the pace of new construction in the areas.

Mr. Zucker, however, said the new construction plan was still twice as large as that of 1989, the last budget year before Mr. Shamir formed his latest coalition.

"If the settlers were able to get 5,000, that's a very big success for them," he said. "It's 25 percent of the public housing budget for the year."

Mr. Zucker said the $75 million in additional financing would be spent, among other things, on the construction of 18 roads serving Jewish settlements. The road would take several years to complete, he said, adding that the government had implicitly committed itself to several additional appropriations in coming years.

Jewish settlers in the Gaza Strip set up at least four trailer homes Thursday at what they said would be a new settlement near the site where a settlement resident was shot and killed Wednesday.

The settlers said Israeli Army authorities in Gaza made no move to prevent them from setting up the settlement, which they called Doron, after the man who was killed.

Long-Stifled Dresdeners Fight Highway to Prague

By Stephen Kinzer
New York Times Service

DRESDEN, Germany — Nearly 60 years after Hitler promised the people of Eastern Germany a highway that would connect Dresden to Prague and points south, planning for the road is under way.

Government officials say the highway will bolster Dresden's economy and provide a long-needed transit link for motorists and truck drivers. But some of the city's residents are unconvinced.

Like many people in Eastern Germany, residents of Dresden have lived for decades in a steadily worsening natural environment. The Communist government that ruled East Germany from 1946 until late 1989 was militantly anti-environmental, and protesters who tried to speak out against chemical dumping, toxic emissions and other forms of pollution were treated as enemies of the state.

Now free to speak their minds, environmentalists have organized and begun to campaign against the planned highway.

"This road would ravage one of the most beautiful parts of Germany and sentence us to decades of pollution and traffic problems," said Maria Jacobi, a leader of the protest. "Even more important, it symbolizes a commitment to the automobile as the best form of transportation.

"If you look at the number of cars and trucks coming onto our roads, you can see that we only have about 10 more years before we reach the point of total paralysis."

During the period of Communist rule, traffic in East Germany was light. Most people had to wait at least a decade to buy a car, and many became accustomed to the train or bus.

Since German reunification in 1990, the demand for automobiles in the eastern part of the country has exploded. Dealers here expect to sell 700,000 new cars per year through the 1990s.

But the Dresden-to-Prague highway is not intended solely for cars. Planners said the road will complete a vital trans-European truck route that runs from Scandinavia to Greece, Yugoslavia and Turkey.

"This new road is going to help the overall European economy, and also help Dresden by connecting it once again with cities that used to be its main trading partners," said Michael Sagurna, a spokesman for the Saxony state government. "If you want to drive across the Czech-German border today, you have to expect a delay of about 10 hours."

Officials in Prague, eager for closer ties to West Europe, support the highway and are impatient for construction to begin.

German engineers are considering seven different routes for the highway. The favored route would run within three miles (five kilometers) of central Dresden and would also cut through the Saxonian Switzerland national park, one of Germany's most scenic areas.

The road is to have six or eight lanes and is expected to carry 60,000 autos and 30,000 trucks a day.

Even if planning and construction are carried out without delay, the highway is not expected to be completed until 2002. By then, opponents argue, Eastern Germany will be in stronger economic shape and will not need the boost that the road may bring.

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WORLD BRIEFS

IRA Warns British of Further Attacks

DUBLIN (AP) — The IRA threatened further attacks in England and Northern Ireland in a New Year's message published Thursday.

It warned that it would never be defeated in its struggle to end British rule in Northern Ireland.

The message followed a stepped-up campaign marked by a string of arson attacks and bombings on the rail network. It was published on the front page of An Phoblacht, the newspaper of Sinn Fein, the IRA's political wing.

Blasts Hit South African Post Offices

JOHANNESBURG (AP) — Powerful bombs shattered two post offices Thursday in what the police said appeared to be the continuation of bombings by white extremists.

Bombs caused extensive damage to the government facilities in Krugersdorp, west of Johannesburg, and Verwoerdburg, near Pretoria, the police said. No one was hurt in the early morning explosions, they said.

No one claimed responsibility for the bombings, but government officials blamed white extremists opposed to the dismantling of apartheid.

France Reinforces Garrison in Chad

PARIS (Reuters) — France reinforced its military garrison in Chad on Thursday after rebels loyal to the deposed president, Hissène Habré, captured two towns near the capital, official French sources said.

More than 100 French troops were flown from a base in Ivory Coast to Ndjamena, where they have been stationed at strategic points in the capital, mainly to protect French citizens, the sources said. France already has a military force of some 1,200 men in its former colony.

The Foreign Ministry in Paris later confirmed the troops reinforcement and said it was prompted by growing concern over the situation in Chad.

Rebels Have Dhaka Base, India Says

NEW DELHI (NYT) — Pro-independence groups from northeastern India have set up bases and offices in neighboring Bangladesh and have placed millions of dollars in banks to finance their insurgencies, especially in the state of Assam, Indian officials say.

The officials, citing intelligence information, said the United Liberation Front of Asom, the main guerrilla group in Assam, had established an office in Dhaka, a transit camp for rebels and three training and arms collection centers near the Indian border.

Details of the front's operations in Bangladesh became available to Indian security officials after the capture of a top Assamese militant leader, Golap Barua, and several of his aides in November.

Relapse by Mother Teresa Is Feared

LA JOLLA, California (AP) — Mother Teresa, 81, suffering from pneumonia, has shown little improvement after a week in the hospital and could suffer a sudden relapse, according to her doctors.

The Roman Catholic nun, who won the 1979 Nobel Peace Prize for her care of the world's poor, sick and dying, remained in serious condition early Thursday at Scripps Clinic and Research Foundation. She was admitted Dec. 26. "We are very concerned about her," Dr. Paul Teirstein said. "I think that she could have a setback at any time."

Mother Teresa, who is based in Calcutta, became ill in Mexico a week ago and was admitted to the hospital here with pneumonia. Doctors said the pneumonia triggered an episode of congestive heart failure. On Sunday, they performed an artery-opening procedure. Dr. Teirstein said her heart condition was stable and that the pneumonia was the main problem.

Mogadishu Calm on Eve of UN Visit

NAIROBI (AP) — Relief officials reported a lull in the fighting for control of Mogadishu, Somalia's devastated capital, on Thursday, a day before a United Nations team was due there to seek a cease-fire.

Carlton James, a spokesman for the UN Children's Fund, said it was the second day of reduced fighting in the capital after fierce shelling Tuesday. Peter Stocker, regional director of the International Committee of the Red Cross, which has staffers in Mogadishu, said he had no reports of serious fighting.

The lull came as James O.C. Jonah, the UN assistant secretary-general for African affairs, prepared in Nairobi for a one-day peace mission to the capital on Friday. Mr. James said Mr. Jonah would hold three hours of talks with each of the leaders of the two warring factions.

For the Record

Iraq has released two U.S. businessmen, David Martin and Jim Aduddel, who were held in a Baghdad jail for nearly a month after straying across the border from Kuwait, diplomats said Thursday. *(Reuters, AFP)*

The death toll in Bombay from tainted liquor served on New Year's Eve rose to nearly 100 Thursday, as doctors tried to save the lives of three dozen more people still hospitalized with severe alcohol poisoning. Hospital sources said 14 victims died Thursday. *(R...*

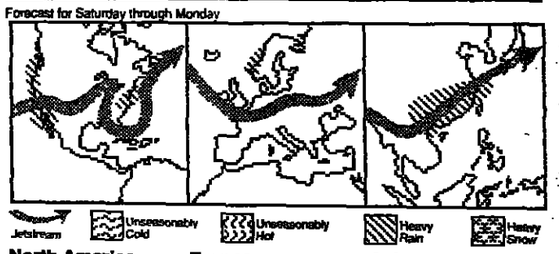
TRAVEL UPDATE

Highway accidents in Spain left 230 people dead and 73 injured since school vacations began on Dec. 20, Europa Press news service reported. In Portugal, highway accidents killed 72 people and injured 297 from Dec. 19 and to Jan. 2, the country's worst recorded holiday statistics. Spain, Portugal and Greece are the three most hazardous EC nations in which to drive. *(AP)*

Traffic controllers and weather forecasters in Niger's capital, Niamey, have notified the authorities of a one-day strike on Friday that will close the international airport, police sources said. *(Reuters)*

The Weather

Forecast for Saturday through Monday



North America
Windswept rains will lash the Atlantic coast this weekend. It will be stormiest Saturday from New Jersey to North Carolina. Rain may return to Texas as Chicago remains dry. Rain, possibly heavy, will wet California at times this weekend.

Europe
The storm track for this weekend will be across Northern Europe from Scotland to Scandinavia. It will be windy in London and Paris with a bit of rain in both cities. Lisbon will be partly sunny and mild while Rome enjoys warm sunshine.

Asia
Dry weather is foreseen Saturday in Korea and most of Japan, including Tokyo. Clouds and rain will begin late Sunday or Monday. Taipei and Hong Kong will be cloudy with showers this weekend. Scattered thunderstorms will break out in Singapore.

Europe

	Today High C/F	Low Wx C/F	Tomorrow High C/F	Low Wx C/F
Algarve	16/61	6/43 s	16/61	9/48 pc
Amsterdam	9/48	2/35 c	9/48	4/39 r
Ankara	1/34	-4/25 sf	-1/31	-7/20 s
Athens	9/48	2/35 s	9/48	2/35 s
Barcelona	16/61	3/37 s	16/61	6/39 s
Belgrade	3/37	-5/24 s	2/35	-7/20 s
Berlin	6/43	-1/31 c	9/48	2/35 sh
Brussels	8/46	2/35 c	9/48	3/37 sh
Budapest	1/34	-5/24 pc	0/32	-4/25 s
Copenhagen	4/39	0/32 sh	4/39	3/37 c
Costa Del Sol	19/66	8/46 s	19/66	9/48 s
Dublin	9/48	4/39 sh	7/44	1/34 r
Edinburgh	8/46	3/37 sh	8/46	2/35 r
Florence	11/52	0/32 s	11/52	3/37 pc
Frankfurt	7/44	-1/31 c	9/48	2/35 sh
Geneva	4/39	-4/25 s	4/39	-3/27 pc
Helsinki	1/34	-2/29 sn	2/35	0/32 c
Istanbul	2/35	0/32 sf	1/34	-4/25 s
Las Palmas	22/71	16/50 s	22/71	10/50 s
Lisbon	17/62	7/44 pc	17/62	9/48 c
London	11/52	7/44 s	9/48	4/39 sh
Madrid	16/61	1/34 s	17/62	3/37 s
Milan	10/50	-2/29 s	10/50	-1/31 pc
Moscow	-2/29	-6/22 sn	1/34	-3/27 pc
Munich	2/35	-1/31 c	6/43	0/32 c
Nice	13/55	4/39 s	13/55	6/43 pc
Oslo	3/37	-1/31 sn	3/37	1/34 c
Paris	9/48	6/43 c	9/48	4/39 sh
Prague	3/37	-3/27 c	9/48	4/39 sh
Reykjavik	-1/31	-4/25 c	5/41	1/34 c
Rome	12/53	1/34 s	12/53	4/39 pc
St Petersburg	-2/29	-6/22 sn	1/34	-3/27 pc
Stockholm	1/34	-2/29 sn	2/35	0/32 c
Strasbourg	8/46	2/35 pc	9/48	4/39 sh
Tunis	1/34	-3/27 s	1/34	0/32 c
Vienna	10/50	-1/31 s	10/50	2/35 pc
Warsaw	1/34	-5/24 pc	-1/31	-5/24 pc
Zurich	5/41	-3/27 sn	6/43	1/34 sh
	3/37	-4/25 pc	3/37	-3/27 pc

Middle East

Beirut	18/63	3/37 sh	18/63	3/37 pc
Cairo	17/62	7/44 pc	18/63	4/39 s
Damascus	9/48	2/35 sf	11/52	2/37 pc
Jerusalem	11/52	6/43 sh	13/55	4/39 pc
Riyadh	27/80	13/55 s	29/84	14/57 s

Oceania

Auckland	17/62	11/52 pc	17/62	11/52 pc
Sydney	24/75	18/64 sh	25/77	17/62 pc

Asia

	Today High C/F	Low Wx C/F	Tomorrow High C/F	Low Wx C/F
Bangkok	30/86	22/71 pc	30/86	23/73 pc
Beijing	1/34	-7/20 pc	1/34	-8/22 pc
Hong Kong	17/62	6/43 sh	17/62	8/43 pc
Manila	30/86	21/70 s	32/89	22/71 pc
New Delhi	20/68	6/43 pc	19/66	6/43 pc
Seoul	6/43	-8/18 s	4/39	-7/20 s
Shanghai	1/34	-9/16 pc	1/34	-9/16 pc
Singapore	29/84	24/75 pc	28/82	21/70 pc
Taipei	17/62	13/55 sh	18/64	14/57 pc
Tokyo	9/48	1/34 s	8/46	0/32 s

Africa

Algiers	14/57	1/34 s	16/61	1/34 s
Cape Town	28/82	19/66 pc	27/80	17/62 pc
Casablanca	22/71	11/52 s	22/71	11/52 s
Harare	27/80	11/52 pc	27/80	11/52 pc
Lagos	28/82	22/71 pc	28/82	22/71 pc
Nairobi	26/79	8/46 pc	26/79	8/46 pc
Tunis	19/66	8/46 s	19/66	8/46 s

Latin America

Buenos Aires	24/75	17/62 t	27/80	16/61 pc
Caracas	28/82	23/73 c	29/84	23/73 pc
Lima	26/79	19/66 pc	26/79	18/64 pc
Mexico City	21/70	8/46 pc	23/73	8/46 pc
Rio de Janeiro	30/86	22/71 pc	31/88	22/71 pc
Santiago	27/80	14/57 pc	27/80	16/61 pc

North America

Anchorage	-1/31	-5/22 sf	-2/29	-8/18 pc
Atlanta	8/46	3/37 sh	13/55	3/37 pc
Boston	7/44	3/37 pc	7/44	1/34 r
Chicago	6/43	1/34 s	4/39	-2/29 pc
Denver	9/48	-6/22 s	9/48	-6/22 s
Detroit	7/44	1/34 sh	3/37	-1/31 pc
Honolulu	27/80	20/68 pc	28/82	21/70 pc
Houston	19/66	5/41 s	17/62	9/48 pc
Los Angeles	16/61	10/50 c	16/61	9/48 c
Miami	25/77	13/55 pc	23/73	7/44 pc
Minneapolis	2/35	-4/25 pc	2/35	-4/25 s
Montreal	3/37	-2/29 c	-1/31	-12/10 pc
Nassau	28/79	23/68 sh	26/79	20/68 pc
New York	7/44	3/37 c	7/44	2/35 r
Phoenix	20/68	8/46 sh	19/66	9/48 sh
San Fran	13/55	7/44 c	13/55	8/46 sh
Seattle	9/48	6/43 sh	13/55	4/39 sh
Toronto	5/41	0/32 c	3/37	-2/29 sn
Washington	9/48	4/39 c	9/48	4/39 r

Legend: s sunny, pc partly cloudy, c cloudy, sh showers, t thunderstorms, r rain, sf snow flurries, sn snow. All maps, forecasts and data by Accu-Weather, Inc. ©1992

In Split
Huskies
Auburn's Pat Su
Named Coach at
ESCORTS & GU
MERCEDE
MODELS
INTERNATIONAL ES

Tokyo, Uncertain About Democrats, Wants Bush (a Friend) to Seem Successful

By Steven R. Weisman
New York Times Service

TOKYO — President George Bush's trip to Japan next week has turned into a messy confrontation over trade and a major test for Prime Minister Kiichi Miyazawa. But Japanese leaders also hope to make the trip at least look like a success for an American president viewed as a friend.

Aides to Mr. Miyazawa were dismayed when domestic problems forced Mr. Bush first to postpone his visit, originally scheduled for November, and then to take along 21 executives of American industries to demand greater market access.

But the Japanese have now apparently decided to try to salvage the trip as a gesture of friendship to Mr. Bush and a reflection of concern over a presidential race that has already featured calls for trade retaliation against Tokyo.

"Let's face it, Bush is better for us than any alternatives we see right now," a Japanese official said. "He's the key person standing against protectionism and isolationism in the United States. So to the extent that Bush gains, Japan gains and Miyazawa gains."

But some U.S. officials say Mr. Miyazawa may not have the political latitude to make major promises. Successful Japanese prime ministers must be perceived to have a good, but not subordinate, relationship with Washington.

Mr. Miyazawa's predecessor, Toshiki Kaifu, was done in partly because of a widespread impression that he did Mr. Bush's bidding.

NEWS ANALYSIS

And like Mr. Kaifu, Mr. Miyazawa is surrounded by rivals in the governing Liberal Democratic Party who do not necessarily want him to succeed. Their passive support has led to a series of legislative defeats in his first two months in office.

Among them was the embarrassing failure of a bill to enlist Japanese troops in UN peacekeeping forces. Also defeated were measures to apologize to the United States for World War II, enact a series of political changes and raise taxes to increase foreign aid.

"Expectations for Miyazawa are failing," a political columnist, Kenji Kiatahara, wrote this week. "A feeling of disappointment and helplessness is endemic. Miyazawa has failed to provide anything resembling his promised leadership."

Some analysts say that if the Bush visit is perceived as a failure, Mr. Miyazawa could be removed before the end of the year.

Faced with American anger and impatience over the trade imbalance, particularly the fact that Japanese cars are wiping out American competition, Japan is planning a set of initiatives that could have a marginal effect on the $41 billion imbalance.

[At a press conference in Australia on Thursday, Mr. Bush said the large American trade deficit with Japan was contributing to the prolonged U.S. recession, The Associated Press reported from Canberra.

["I want to see us get more jobs created in the United States eventually by concessions made or positions taken in Japan," he said. "We need more access to their markets. We need to have more content in autos that are made in the United States."]

Under consideration are some easing of environmental and safety regulations for imported automobiles that have been tough for American car-makers to meet. Japanese car producers and retailers are also being pressed to buy more American auto parts and open their dealerships to American cars.

Such steps are likely to have a small long-term effect. But Americans are unlikely to be comforted by the spirit in which these concessions are offered. Mr. Miyazawa, for instance, appealed for voluntary efforts out of compassion, not out of a sense that the current system is unfair, as Americans contend.

It remains to be seen whether voluntary purchases by Japanese industries will be satisfying to an American delegation that wants a more systemic change to make Japan more open to imports.

Many analysts in Japan think that Mr. Bush will be happy to accept the Japanese steps, if only because he has raised expectations to such a degree that he cannot afford to act otherwise.

As for Mr. Miyazawa, aides say that he needs what Japanese leaders always seem to need — reassurance that Japan is an equal partner with the United States in tackling global problems. The format is to be a "Tokyo Declaration" of the two nations' "global partnership."

When Secretary of State James A. Baker 3d visited Japan in the fall, however, he made headlines when he said Japan must abandon its practice of "checkbook diplomacy" and wade more into the thick of the world's problems. Many Japanese resented what they felt was his condescending tone.

In fact, Japan wants to become a permanent member of the UN Security Council. It wants more voting rights at the International Monetary Fund. It wants the UN to expunge references in its charter to its status as a former "enemy" state. U.S. response to these requests has been lukewarm at best.

Now Japan will be watching to see how much Mr. Bush papers over American disappointment that it did not send personnel to the Gulf, but only money, and that its steps on the environment, aid to poor countries and aid to Moscow have fallen short of expectations.

In the end, the biggest favor Mr. Miyazawa, a former finance minister, can do for Mr. Bush is to help the United States by promoting Japanese economic growth. Accordingly, Mr. Miyazawa is presiding over steps to stimulate the Japanese economy and let the yen rise in value against the dollar.

This week, he said Japan must be the "locomotive" that pulls the whole world out of its economic slump. Such steps as lowering interest rates in Japan and letting the yen rise are viewed by many economists as more likely to spur American imports into Japan than any specific steps in industries.

The problem is that Mr. Bush seems to want something more dramatic. The question now is what Japan can produce within its and Mr. Miyazawa's limitations.

BUSH: *Focus on the Pacific Rim*

(Continued from page 1)

factor to the current U.S. recession.

"Anytime you have an extraordinarily big trade imbalance, I think that you would say that would be contributing to a lack of economic growth," he said.

"I want to see us get more jobs created in the United States eventually by concessions made or positions taken in Japan," he said. "We need more access to their markets. We need to have more content in autos that are made in the United States."

[In Tokyo, the public broadcasting network, NHK, said, "President Bush's remarks indicated that a tense atmosphere would prevail at his talks here," The Associated Press reported. Mr. Bush is due to visit Japan on Tuesday.]

Outside the striking, modern Parliament House, 3,000 angry Australian farmers marched, complaining that Mr. Bush, who has billed his tour as pursuit of "free and fair trade," unfairly hurts their exports by subsidizing American farm products.

Inside, Mr. Bush declared that despite plans to reduce the U.S. military presence in the Pacific region, "I can assure you that the United States intends to retain the appropriate military presence to protect its allies and to counter threats to peace."

Those plans reflect the disintegration of the Soviet Union, according to a senior administration official traveling with the president. No longer will the United States maintain large facilities, such as those now being abandoned in the Philippines. Instead, it is seeking cooperative relationships with other nations, resulting in access to their bases.

Singapore, where the president begins a visit on Friday, provides an example of this new approach. In October 1990, the United States and Singapore agreed to allow American F-16 fighters to conduct exercises from bases there.

"This is a way to demonstrate that we intend to remain active," the official said, "and how we remain active will demand something from them."

An expansion of that current agreement is expected while Mr. Bush is in Singapore, his next stop, the official said. The new accord would help take up the slack left by the U.S. departure from Clark Air Base in the Philippines in November and from Subic Bay Naval Station there by the end of this year, the official said.

So far, Mr. Bush's Australian visit, which ends Friday, has been dominated by talk of trade.

In a series of meetings, Prime Minister Paul Keating and a group of farmers told Mr. Bush that wheat subsidies under the U.S. Export Enhancement Program were harming hard-pressed Australian farmers. The United States subsidizes 30 percent of the annual U.S. agricultural output while Australia subsidizes only 11 percent of production.

In response, Mr. Bush acknowledged the concern and urged Australia to join the United States in seeking to liberalize international trade rules under the General Agreement on Tariffs and Trade.

"Progress on agriculture is the key to the success of the GATT talks," he told the Parliament.

Mr. Bush maintained that the program, which pays subsidies to agricultural exporters to lower the price of American farm goods around the world, is intended to help U.S. farmers compete with their subsidized counterparts in the European Community.

The program, he said, "has one and only one objective, and that is to force the EC to stop its avalanche of subsidized exports."

He added, "Our program seeks to minimize the effects on Australia and other nonsubsidizing nations."

Mr. Bush also noted that U.S. wheat production fell nearly 30 percent last year because of EC subsidies.

A Feast of Rules, a Famine of Goods

By Michael Dobbs
Washington Post Service

MOSCOW — Marina Sabirzanova, manager of State Food Store No. 2 on Khoroshevsky Avenue, shrugs her shoulders when asked the crucial question: How do you set prices now that they have been "freed" by the Russian government?

"The same as before," she replies. "I pick up the phone and make a call."

The bureaucrat at the other end of Mrs. Sabirzanova's phone line is Tatyana Kondratyeva, bookkeeper for the state retail organization for the Khoroshevsky district of Moscow.

Her desk is awash with a pile of instructions from "higher authorities" on how to carry out the liberalization of prices decreed by President Boris N. Yeltsin as the centerpiece of his drive to create a market economy.

A 12-page booklet includes a long list of goods, ranging from matches to baby food to railroad tickets, whose prices will continue to be set by the state. Each of the 50 or so items on the list has its own "coefficient," bureaucratic jargon for the number of times the previous price is to be multiplied, which ranges from three to five.

Milk carries a coefficient of three, vodka four and heating oil five.

Another 12-page booklet addresses the bewildering topic of "free contract prices." The preamble announces that free contract prices will be set by supply and demand.

Paragraph 2.4 specifies that these prices will be established by taking into account "the cost of the product and value-added tax."

An addendum includes sample protocols — showing the cost of labor and raw materials — that must be filled out by the supplier to prove that he is not making money on the deal.

"We still don't have the kind of market that you have in the West," said Mrs. Kondratyeva, leafing through the instructions, which were distributed by the Russian Economics Ministry and the Moscow city government shortly before the New Year.

The Russian government's decision to liberalize prices, which came into effect Thursday, was billed as part of a "big bang" approach to creating a free market. Mr. Yeltsin and his advisers conjured up the impression of a decisive break with 70 years of central planning.

A tour of state retail establishments suggests a more prosaic reality: Russia is stumbling toward capitalism rather than embracing it overnight. What happened Thursday was more like a lurch than a leap.

The classic free-market mechanism of supply and demand was destroyed by the Communists in favor of an artificial distribution system and cannot be recreated overnight.

Russia is stumbling toward capitalism. What is happening is more like a lurch than a leap.

Under capitalism, entrepreneurs would respond to higher prices by raising their production. As soon as a glut appeared on the market, prices would automatically fall. But the "magic hand" of capitalism does not work when practically the entire retail system, 98 percent of agricultural land, and all large factories are owned and run by the state.

The Russian economy remains an economy of scarcity. By controlling the distribution of "deficit" goods, the state has been able to reward its supporters and punish its opponents.

There is a chronic shortage not only of goods and natural resources, but also of Western-style entrepreneurs with an eye for economic opportunity. Monopoly producers have little incentive to increase their production if they cannot reinvest their profits.

"In the West, you have individual farmers who produce directly for the market," said Mrs. Kondratyeva. "Here we just have state farms. If the economy was privatized, then perhaps higher prices would lead to higher production. At the moment, however, we do not have any choice of suppliers."

At Store No. 2, the staff is busy adjusting the price tags on nonexistent products. Milk has tripled in price from 65 kopecks to 1.95 rubles a liter, but there is still no milk.

The main excitement of the morning is that the price of crab legs has dropped from 77 rubles to 38 rubles a kilogram. Dollar comparisons are meaningless because of multiple exchange rates, but the average Russian worker is paid about 400 rubles a month.

"Those crab legs have been there for weeks," said Mrs. Sabirzanova, the manager. "They have a strange smell and nobody would buy them. Under the new regulations, we were able to write a letter to the state retail organization, and they allowed us to lower the price."

Even at the lower price, the crabs legs did not seem to be finding many buyers.

Down the road, at Food Store No. 8, the deputy director, Irina Bakhareva, was consulting her copy of the ministry's pricing instructions. The document allows stores to increase their markup on free contract prices from 20 percent to 25 percent, necessitating a general recalculation of all the prices in the store.

Meanwhile, a shipment of milk had just arrived from the state depot — and was sold out in half an hour.

"They sent us 10 containers of milk as an experiment to see if people would buy it at the new prices," Mrs. Bakhareva said. "That's 15 containers less than we were selling a couple of years ago, but better than last week, when we got nothing at all."

The main economic advantage of this price rises is that they should lead to a reduction of the crippling budget deficit, provided that the state does not compensate consumers for declining living standards. Over the last few years, the government has been spending almost as much subsidizing the cost of food as it officially spends on the military.

PRICES: *Optimism and Despair*

(Continued from page 1)

fur hats and parents pulling children on little sleds milled about on the muddy floor, peering into empty shelves as white-jacketed shop assistants sat idle.

A dozen or so shoppers lined up to buy caramels, the price of which had risen from 4 to 12 rubles per kilogram, but no one was buying the other products available: pork lard at 55 rubles per kilogram, red wine from Georgia and packets of powdered spice.

Lubov Suleimanova, 56, said that she had stood in another store and cried as she surveyed the new prices. She said she lived through the blockade of Leningrad during World War II, when more than 600,000 people starved to death, and had lost all five of her brothers and sisters and emerged an invalid who does piece work at home.

"I can't live through that again," Miss Suleimanova said. Out of a monthly wage of 250 rubles, she said, she had spent 80 rubles on Thursday. Pointing to the meager acquisitions in her bag, she said, "Look what I have — nothing."

But the apartments in the building above Grocery No. 33 were a reminder that the empty shelves and pensioners' despair do not tell the whole story in a city where many people grow food at their dachas, receive products at work and manage to come by what they need in countless other time-consuming but effective ways.

Outside almost every window, residents had hung parcels of food wrapped in cloth, a testament to the hoarding that had taken place in the weeks leading up to the price increases and that had left many refrigerators overflowing.

"Don't worry about us," one woman muttered as she listened to Miss Suleimanova's complaints. "We won't starve."

TRUCE: *Broad Yugoslav Accord*

(Continued from page 1)

The agreement does not elaborate on the monitoring mechanisms, but they will probably be made up of European Community or United Nations personnel.

The agreement also requires each side in the conflict to notify the other in advance of troop movements, to refrain from moving troops forward at any point along the front line and not to reinforce existing defensive positions.

Each side has agreed to respect freedom of navigation on the Adriatic Sea and to refrain from using air space for military purposes.

Croatia, Serbia and the pro-Serbian Yugoslav Army earlier this week formally accepted a UN proposal for deployment of an international peacekeeping force in the crisis areas of Croatia and a complete withdrawal of the warring armies from the regions.

The UN Security Council, however, insists that it will not introduce peacekeeping troops in Yugoslavia until a cease-fire on Croatia's battlefields takes hold.

Warfare continued across Croatia on Thursday. Newscasts told of air strikes on the town of Daruvar and the Adriatic island of Ugljan, rocket attacks on the port of Zadar, and clashes in villages near Pakrac and Vinkovci.

BUDGET: *Bush Weighs Cuts*

(Continued from page 1)

tagon has been asked to outline $50 billion in new defense cuts over five years beyond the cuts already programmed into the 1990 agreement. Several members of Congress have predicted that if the White House did not propose further cuts, Congress, seeking funds for domestic programs, for middle-income tax cuts and for helping the republics of the former Soviet Union, would do so itself.

Senator Robert C. Byrd, Democrat of West Virginia, chairman of the Senate Appropriations Committee, sent Mr. Bush a letter on Dec. 10 seeking negotiations to alter the Budget Enforcement Act. In the letter, Mr. Byrd noted the moves the past year to "cut back or eliminate funding" for several long-term Defense Department procurements which many members "feel are no longer required in light of the changing world realities." To make "rational and orderly judgments" on defense spending priorities, Mr. Byrd said talks to change the budget pact are "critical."

In his interview, Mr. Bush said that "because the world has changed so dramatically" less U.S. defense spending is possible. But he insisted that the overall federal spending ceilings must remain to impose financial discipline on the government and to reassure the financial markets.

On his economic growth package, Mr. Bush praised the 1 percentage point drop in interest rates announced by the Federal Reserve Board last month but said "it alone is not all that needs to be done" to move the economy forward.

He said his package would "stimulate jobs and stimulate investment" but he made no mention of the tax cut.

Mr. Bush did not mention a tax cut in the interview and some have suggested the sharp cut in interest rates will take off the political pressure for such a cut.

But a senior official said Thursday that the administration remained committed to such a cut as part of its package and is focusing now on a "pro-family" type of cut, such as an increase in the tax exemption for children or a tax credit for children.

Mr. Bush was wary in predicting when the economy might begin a strong recovery, but said that with or without a recovery, he will be re-elected to a second term.

PACIFIC: *Australia's Fear*

(Continued from page 1)

between Australia and its allies, the official said.

The official, who refused to be named, called the state visit "very worthwhile in ventilating these things" to the president and his aides, and said the two sides agreed on the dangers of an uncontrolled drift in the relationship between Tokyo and Washington.

But he said that Prime Minister Paul Keating and others were not sure if the Bush administration had a strategy for coping with Japan's influence or if it could summon the economic clout to implement any strategy it might devise.

More often, he said, the two economic powers vent their frustrations with each other in specific disputes over such issues as auto parts purchases rather than looking at broader differences in their cultures and economic systems.

Japan has shrewdly exploited a trading system that the United States singlehandedly built and has protected, at great expense, with its military might, the official said.

But "rather than bitch that it's Japan's fault, Australia feels there has got to be an effort within the U.S. to revitalize the innards of American industry, to be more competitive," he said.

The White House this week said that it was aware of those concerns. It lately has depicted Mr. Bush's 12-day Asia journey as visible proof that its military and financial stake in the region is not simply unshaken, but that it is vital to America's economic future.

Mr. Bush, whose argument that exports create jobs is the foundation of his efforts to fight the recession, has taken to noting that American trade across the Pacific now far exceeds that with Europe, and is growing exponentially.

On the military front, the president is expected this weekend to disclose a new agreement in Singapore, his next stop, to bolster the U.S. military presence there.

The Pentagon already has stationed jet fighters there under a so-called access agreement, in which U.S. forces are stationed on locally operated bases instead of on vast and expensive Pentagon-controlled compounds like the naval base at Subic Bay in the Philippines.

Administration officials call the Subic Bay relocation and other access agreements part of a shifting strategy for America's Pacific interests, in which Washington will serve less in its old role as defender of the region and more as a rallying force for regional interests.

Mr. Bush flew to Singapore Thursday for a scheduled one-day visit that is expected to center on trade, defense, human-rights and environmental issues.

STASI: *Few Come to Peek*

(Continued from page 1)

about 3,000 applications for access to their files.

Mr. Gauck has predicted that the agency would have to turn over an average 70,000 files monthly to interested Germans, but a survey by German television in several cities in Eastern Germany showed little initial interest. An office worker there said that people were so fed up standing in lines for forms for health care, social security and unemployment payments, that they would take their time reacting to a drive that was voluntary.

Jonny Lobbies, 62, told the German news agency that he sought his file to learn the identity of informers responsible for sending him to prison for seven years in the 1950s on trumped-up espionage charges.

"I don't want revenge," he said. "I just want to know the motives of the informers."

But beyond such dramatic cases, much of the material is expected to underscore the banality of the enormous Stasi collection of roughly 6 million personal files.

The current law, which took effect with the new year, foresees the release of information under closely defined conditions to state authorities, and the right of examination for the 6 million victims, many of whom paradoxically may have been informers themselves.

One objection to the present law is based on the fact that some files are incomplete. For example, dossiers stemming from the archives of the Stasi division for foreign espionage, which was headed by the East German spy Markus Wolf, are lacking, as are the papers of prominent Stasi informers. Many of these were removed from the files during the collapse of Communist power in November 1989 and have been sold for large sums to journalists or used, possibly by former Stasi agents, to blackmail formerly prominent East Germans.

Wolfgang Kumm/Agence France-Presse

Rainer Eppelmann, the last East German defense minister, reading his Stasi file on Thursday.

Although all Germans have the right to see their files, if they exist, mainly people in Eastern Germany are expected to show interest. The divisiveness generated by the Stasi information has penetrated virtually all civil institutions, including the political parties.

A recent national congress of the Christian Democratic party of Chancellor Helmut Kohl ended in Dresden without being able to decide how to treat party members who were collaborators of the old Communist regime.

CATCH: *Women Running Faster*

(Continued from page 1)

"straight lines" of consistent improvement when the records were graphed.

Most previous studies have plotted the world record times for each event. This yields a curve that does seem to be flattening. But the UCLA pair argue that this can be misleading because of the arithmetic relationship between time and speed.

To get a better measure of physical exertion, they calculated the runners' average speeds during their record-breaking races. This approach overcomes the fact that as times get shorter, each new record tends to better the old one by smaller increments, even though the increase in physical effort may be as great as ever.

In other words, the amount of increase in speed that was enough to cut the record by two-hundredths of a second last time may shave off only one-hundredth this time.

For men, Mr. Whipp and Ms. Ward plotted the world's record speeds from 1905 through 1985 for seven standard Olympic running events, from the 200-meter to the marathon. In each event, the speeds increased at a nearly steady rate, and the graph showed a virtual straight line sloping upward with time.

For women, only five events had enough data to graph — four shorter races and the marathon. Again, the speeds increased in a straight-line graph, but the slope for each was about twice as steep as that for the men. Women, in other words, were improving their performances twice as fast as men were.

"Despite potential pitfalls," the researchers wrote in their Nature report, "we could not resist extrapolating these record progressions into the future."

The chief pitfall is that absolute limits on what the human body can do — even the best body with the best training — may be reached before the straight lines intersect.

Mr. Whipp recalled that in 1954, when a Briton, Roger Bannister, broke the 4-minute mile, Diane Leather, also British, broke the 5-minute mile, then a record for female runners. Had the two run together, Leather would have finished 320 meters behind Bannister.

The current men's world record miler is another Briton, Steve Cram. If he were to run against the fastest woman miler, Paula Ivan of Romania, he would finish only 180 meters ahead of her.

Why are women improving faster than men?

The UCLA researchers suspect the reason lies in the growing numbers of people who take up running in the first place. The more people who try running, the better the chance of finding someone with superior ability and training.

Soviet Collapse Leads Major to Seek Security Talks by 5 in UN Council

Reuters

LONDON — Prime Minister John Major is seeking a summit meeting of the United Nations Security Council's permanent members this month to discuss the security implications of the breakup of the Soviet Union, officials said Thursday.

They said that Mr. Major, who assumed the rotating Security Council presidency on Wednesday, was canvassing leaders of the United States, China, France and Russia on a meeting, probably in New York.

"It would be a chance for them to get together and discuss the situation concerning nuclear weapons as well as other issues after the windup of the Soviet Union," an official said. The meeting could formally recognize Russia as the successor to the Soviet Union at the United Nations.

Mr. Major has repeatedly spoken of the danger posed by the disintegration of central control over the Soviet nuclear force.

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OPINION

Russia Makes the Leap

Russia makes a perilous leap to markets as it lifts price controls on nearly all consumer products. Prices are expected to triple, or more, grinding millions of Russians — those without a mountain of rubles *stuffed under mattresses* — further into poverty. No matter what preparations were in place, the leap would not be easy or graceful. But in Russia virtually nothing is in place to absorb the shock: no sizable Western aid, no banking or taxation systems and no functioning safety net for those who will be crunched.

What makes the situation truly terrifying is that Russia is flying off on its own by launching economic and military reforms that could harm its neighbors.

At Monday's meeting in Minsk, the former Soviet republics made a stab at forging economic and military agreements. But nationalist pressures blocked firm accords. Unless the leaders find a way to pull together, economic crisis will unravel the commonwealth or, worse, provoke armed rivalry.

The new commonwealth is not a state but a budding alliance. After seven decades of central control, mutual dependency exceeds that of any other group of neighboring countries. In these circumstances, for any republic to go it alone risks economic catastrophe, for its neighbors if not for itself.

Take Thursday's price decontrol by Russia. In Russia itself, prices will skyrocket. But republics that refuse to go along with price decontrol will not go unscathed. Attracted by the higher prices, their suppliers will divert production to Russia, leaving store shelves in other republics picked clean. The only way to stop the hemorrhage would be to erect trade barriers. But for a republic that imports virtually everything it consumes, trade barriers are a ticket to deprivation.

Another risk of go-it-alone reform is monetary crisis. Ukraine is committed to dropping use of the ruble and adopting its own currency. But that threatens Russia if, as feared, rubles now circulating in Ukraine flood back to Russia, driving up inflation.

The answer to these problems is cooperation. One possibility would be for republics to agree to a common schedule of price reform; yet, as of now, only two other republics plan to emulate Russia. Another cooperative scheme would be for republics to commit themselves to destroying rubles taken in exchange for new currencies; no such agreement was struck at Minsk.

Military affairs are also falling prey to narrow nationalism. In Minsk, republic leaders reaffirmed their commitment to central control of nuclear arms, a step that reassures nervous Western powers but is less reassuring than cuts in their nuclear arsenals would be. Most of their attention was devoted to dividing up remnants of the Soviet armed forces — such as the Black Sea fleet, which Russia and Ukraine each seek to control. Yet it would be costly for either republic to maintain and operate the fleet. What Russia, Ukraine and the other former Soviet republics need to do, for their own sake and the world's, is agree to cut swollen military budgets that none can afford.

The West could have made agreement easier by offering economic aid and arms cuts of its own, conditioned on ironclad agreements among the republics on economic reform and demilitarization. That would have given the commonwealth as good a chance to survive its leap to markets as the Poles had. But even Poland, with substantial aid, is assured neither a safe nor a successful landing.

For the new commonwealth to survive it must accommodate independence of the republics but not nationalist excess. Judging from the skimpy agreements announced in Minsk, it does not know how — which, in part, is why Russians this week look terrified.

— THE NEW YORK TIMES.

Bush in an Asian Corner

As George Bush sets off on his long trip through Asia, his exaggerated emphasis on *jobs, jobs and jobs is less than wise. He is* trying to convey the useful point that foreign policy and America's economic health are not separate subjects, but he is doing it in a way that encourages all the grievances and resentments against the Japanese on the part of American companies that have lost ground in competition with them. President Bush is taking with him a platoon of corporate executives that includes several of the American business world's most notable protectionists. The whole trip is aimed toward Japan, its last stop, where he will arrive next week. There is a real risk that he will come home with nothing commensurate with the expectations that he is creating.

In talking about jobs, Mr. Bush is saying that the purpose of his trip is to force foreign markets to open wider to American exports. The implication is that the Japanese are responsible for the big American trade deficit. That is flatly wrong. The American trade deficit is made in the U.S.A. It reflects policy decisions to keep consumption and the standard of living higher than the country's productivity can support. That requires a flow of imports larger than the country's exports. The government could rapidly eliminate the trade deficit, *but only by lowering the standard of* living — not an acceptable idea in an election year or perhaps any other year. Meanwhile, the vociferous charges of unfair Japa*nese trading serve to deflect attention from* this basic but inconvenient reality.

Similarly, Japan's huge trade surplus is mainly due to Japan's persistence in holding its people's living standard well below its productive capacity and sending the excess abroad. Like the Americans, the Japanese are endangering the world's trading system by allowing their export-import accounts to run so far out of balance. But here also the remedy lies in domestic policy toward internal consumption, which, in Japan's case, needs to go up.

With the collapse of the late Soviet Union, Japan is now more important to the United States than any other country. It is the world's second greatest economic power, and this trip to Japan will be the initial test of Mr. Bush's skill in dealing with the post-Soviet world. If he allows his visit to degenerate into a narrow quarrel over trade restrictions and market access, he is unlikely to accomplish much. But if he does not take up specific trade complaints vigorously and publicly, he will greatly disappoint some of the business people he has taken along on this mission. There are still many ways for Mr. Bush to climb out of this self-imposed trap, but none of them is likely to be entirely costless to him.

— THE WASHINGTON POST.

Computers vs. Privacy

The privacy laws in the United States are hard put to keep abreast of the explosion in computerized information peddling — both in the kinds of information filed and stored on individuals in relatively public as well as supposedly confidential places, and in the ever ramifying new ways of massaging and transmitting that information. The case of Network Electronic Tracking, a company now being prosecuted for selling quick checks of background information that appears to have been pillaged from government files, may clarify one patch of a still spreading gray area on transactions of this nature.

The so-called "information broker" is accused of doing something that, if true, is clearly illegal: charging fees of as little as $50 to private customers for simple criminal or credit checks on the latters' prospective clients or employees, and using those fees to bribe persons with access to restricted files to produce the desired information.

But that kind of clarity graces very little of the new computer-information landscape, in which increasingly powerful information-collecting systems, in a variety of official and unofficial data banks, are being used to generate increasingly detailed information about parts of life once assumed to be private. For a reading on the discomfort this causes, one need only recall the furor created by the technical information-sharing device "caller ID" on telephones.

No one has legally challenged now commonplace practices such as magazines' selling and swapping of lists of their subscribers to direct-mail marketeers, or credit bureaus' use of computer information gleaned from official files. But the suspicions of an "inside job" on Social Security and FBI files show how far out of control the opposite extreme can get. Localities are still wrangling over the role of telephone companies, for instance, in scanning clients' calling patterns so as to offer them new services. The privacy right, already a matter of hot constitutional dispute, begs for clarification in this arena as well.

— THE WASHINGTON POST.

Other Comment

Fruitless Surgery in Minsk

Nobody expects politicians to be absolutely correct in assessing their achievements, *but there is a limit beyond which* optimism stops being a good feeling to become oppressive misinformation. Real results of the Minsk meeting contrast with the lulling placidity that the leaders of the Commonwealth of Independent States expressed at their press conference. Familiar images appear in the minds of people who remember well the "achievments" reported by Communist propaganda.

The C.I.S. has dozens of unwieldy problems, from dividing the army, which is the biggest in the world, to agreement on the stages of economic reform, which is rather obscure itself. An analysis of the documents signed in Minsk shows that they are *miserable in their ineffectiveness — no step* toward a real commonwealth has been made. The leaders in Minsk recoiled from the problems, like surgeons from a hopeless patient. They cut up the body and then immediately put the stiches in.

As for the ruble, an attempt to have it as a common currency proved a failure. All the independent states are likely to start a race. Winners will be those who are first to get rid of the ruble. Whoever does it last loses.

— Izvestia (Moscow).

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High Time to Move Beyond Caricatures of Japan

By David C. Unger

KYOTO, Japan — Some familiar American stereotypes about Japan and its people seem shockingly superficial and dangerously out-of-date. Japanese society differs from America's in important ways, but, like American society, Japanese society is neither monolithic nor static.

Today's Japan is one of the world's most modern, most affluent societies, plugged into every trend in international pop culture and a powerful creator of new trends for others. Its young people are highly educated, fashion conscious and remarkably well traveled. Its face is far more diverse, and youthful, than would ever be guessed from the cautious politicians and corporate tycoons who dominate the news.

Americans can usefully debate the nature of Japanese society and how America can best respond to Japan's competitive success. But for too many Americans Japan's image is a crude caricature, drawn from half-digested sound bites and painted in racist hues.

The Japanese are portrayed as faceless and conformist, their real feelings impenetrable to non-Japanese. This supposedly monolithic society is explained in terms of Japan's militarist traditions, its consensus style of politics and a shared national anxiety over scarce resources. These are said to produce people committed to work unceasingly so that Japan can dominate the world economically, and perhaps militarily, too.

There are Japanese who think like that, but fewer than there used to be. Meanwhile a newer, youth-oriented leisure culture is emerging everywhere, from the nightclubs of Tokyo's Ginza and Roppongi districts to Kyoto's Kawaramachi Street. Most of Japan's 123 million people have been born since 1960. Most adults have no personal memories of World War II or the American occupation. Most Japanese today are children of affluence, not scarcity.

Older people remember the hard times and hesitate to relax. The middle-aged worry more narrowly about astronomical housing costs and their children's increasingly expensive tastes. For many school-aged children, the affluence achieved by past generations is there to be enjoyed now and the future can take care of itself. These young pleasure-seekers are, their elders say, "nibbling on their parents' shins."

If this generational breakdown sounds familiar to Americans, there is good reason. An internationalized market and culture has homogenized experience to a remarkable extent, particularly in societies at comparable economic levels.

Japan is different from America, but also surprisingly familiar. There are unreconstructed militarists and nationalists who acknowledge no Japanese wrongdoing before or during World War II, but there are also potent pacifist and environmental movements. Traditional values are revered, but a growing feminist movement is challenging patriarchal traditions. Japanese culture values harmony and pleasing words, but some Japanese are bluntly outspoken, even to foreigners.

Why then do so many Americans see the Japanese as an army of ants? One reason may be unfamiliarity. Few Americans have spent much time in Japan, and the faces Japan turns to the outside world are usually those of its mumbling politicians and corporate samurai. It is also more comforting for Americans to explain embarrassing competitive setbacks by conspiracy theories rather than by poor American business practices.

The United States and Japan now have the world's two biggest economies. Their relationship is too important to fall victim to oversimplification and ignorance.

Both societies have learned valuable and different lessons from history, lessons they might usefully share with each other. By better appreciating what they have in common with the Japanese, Americans might even discover how to benefit from Japanese successes.

The New York Times.

Bush and Gates Have a Job to Help Do in Baghdad

By Jim Hoagland

WASHINGTON — A newspaper story about U.S. policy toward Iraq reminds me of an old joke from the segregationist South: "Sure, I can read that headline," the black Mississippian says to the white voting registrar who has just produced a Chinese newspaper for the would-be voter's reading test. "Says, no blacks voting in Mississippi this year."

In a real Washington policy drama now being played out, a memorandum that the Pentagon's Joint Chiefs of Staff sent to the White House and undutifully leaked in The New York Times is the Chinese newspaper headline. Whatever the characters typed on the page say, the memo's message is that General Colin Powell and his men want nothing to do with new U.S. military operations inside Iraq.

The White House had asked the Pentagon to outline its thinking on Iraq as part of a policy-planning review aimed at developing covert and military options to help the coalescing Iraqi opposition to overthrow Saddam Hussein.

As recounted by The New York Times on Dec. 11 and independently confirmed by participants in the process, General Powell's classified options memo says his armed forces will help only if the president in effect orders a replay of Operation Desert Storm, committing large numbers of U.S. ground troops to take Baghdad.

General Powell raises the threshold for new military involvement in Iraq high enough to make sure it won't happen. The chiefs have again stiffed the White House on Saddam.

General Powell is understandably reluctant to commit troops to hunting Saddam down in a Baghdad bunker now, after the United States hastily pulled half a million soldiers out of the Iraq theater of operations as soon as Desert Storm ended. His reluctance, again advertised in public print, sharpens the administration's need to develop an effective covert program that contributes to a change in the regime. This is the first big task, and test, facing the Central Intelligence Agency that Robert M. Gates has inherited.

President George Bush ordered a covert program shortly after Saddam invaded Kuwait in August 1990, but that effort has been ineffective. American policy present has been haunted by American policy past.

Under the president's original intelligence "finding," or authorization for covert action, the CIA sought to revive its old links to the Kurdish tribes of northern Iraq. The Kurds had received weapons and encouragement from the Nixon administration and the shah of Iran to rebel against Saddam in the mid-1970s. The Kurdish leader Massoud Barzani, still bitter at having been betrayed by the American withdrawal of support in 1975, refused to play, and the 1990 effort fizzled.

In May, President Bush reportedly authorized a large-scale propaganda campaign and some matériel for a handful of Iraqi dissidents based in Saudi Arabia. But this phase, in which Washington continued to be shackled by its suspicions of Iranian-backed Shiites, produced nothing of consequence. The policy review ordered last month implicitly admits this.

The good news for the new U.S. effort is that a credible, broadly based opposition, including Kurds, Shiites and Sunnis, is slowly taking shape and gaining acceptance in the Arab world. A preparatory conference for Iraqi opposition leaders held in Cairo recently signaled a newly cooperative attitude by Egypt. Saudi officials are quietly expanding contacts to include Shiite opposition figures in parallel to similar actions by the White House.

Mr. Bush knows that he has strong support on Capitol Hill for a new, expanded third phase of the covert program. A few influential Democratic congressmen have been quietly pushing the White House to do more to bring down Saddam. General Powell's inability to provide plausible military options on Iraq in the planning exercise just completed should increase the feeling among some in Congress that money now in the Pentagon budget could be better used for a covert program for Iraq.

Saddam counts on United Nations sanctions falling apart in six months as the Bush administration moves into a presidential campaign and as world opinion drifts. He will have been encouraged in his determination to hold on by Turkey's recent split decision on extending allied use of Turkish air bases. The prime minister agreed to another six months, but said in the same breath that Turkey's divided parliament would have to approve any future extension. Translated, that means no extension next time. Without air cover from Turkey and with sanctions eroding, the ability of outsiders to influence events in Iraq will decline sharply.

Mr. Bush and Mr. Gates need to make a concerted push to dislodge Saddam in the next few months. You don't have to be able to read Chinese or Pentagonese to get that message.

The Washington Post.

Israel Could Improve Conditions in the Territories

By Ephraim Sneh

TEL AVIV — Even at this early stage, Israel can make two unilateral gestures that could dramatically improve the atmosphere in the territories. The first would be approval of family reunification requests already under consideration by the civil administration. (Anyone involved in terrorist activity, of course, would be excluded.) The several thousand applications at issue would not change the demographic situation, especially with many applicants already in the territories.

This humanitarian alleviation of one of the Palestinians' more painful problems would be well received in the territories and appreciated by the world community as well.

The second gesture would be to permit political activity that is not inimical to the peace process, so long as it does not encourage violence. While some Palestinians may see this as legitimizing the status quo, it would allow the Palestinians to adopt a political, nonviolent approach to national activity. This would send a very positive message.

Israel could also turn over several administrative functions to the Palestinians with minimal delay. The Palestinian negotiating delegation might serve as an interim self-government council until elections could be held in the territories. The self-governing council can be responsible for:

The health system. This is mainly government hospitals already administered by Palestinian doctors. Recently, steps have been taken to expand the local administration of this system. The Israeli civil administration would have to continue to provide funding until the self-governing council establishes a tax system.

The education system. This is also largely locally administered. For an interim period, a joint Palestinian-Israeli committee would be necessary to oversee approval of textbooks in order to weed out material that could incite hatred or sedition.

The justice system. This has jurisdiction over all civil and criminal cases that are not security-related, and in the West Bank it operates in accordance with Jordanian law. While many complex legal matters would require protracted negotiations, there is really no impediment to immediate transfer of the civil court system to the self-governing authority.

Issues linked to the difficult subjects of land and water cannot be dealt with in the preliminary stages of negotiations. Nevertheless, some steps could be taken soon.

The present West Bank road plan, "Plan No. 50," was formulated under the government of former Prime Minister Menachem Begin. Anticipating eventual annexation of the West Bank to Israel, it ignores the needs of the Palestinian population. Only partially implemented, its very existence as a master plan is the source of many West Bank restrictions and tensions. A joint Palestinian-Israeli team could be impaneled to develop a replacement plan reflecting the needs of both sides.

Pollution from Nablus is fouling the subterranean aquifers of the coastal plain. The United Nations Development Program had proposed to fund a water purification plan, but the idea was shelved when the intifada broke out. The project, if revived, would provide employment and solve an ecological problem threatening Israelis and Palestinians alike.

When Ariel Sharon was minister of defense, he transferred authority over West Bank water from his office (which rules the West Bank through the civil administration) to the government-controlled water company, Mekorot. This annexed the West Bank's water to Israel without annexing the land, in order to exclude the topic of water from any future negotiations over autonomy. The water problem is extremely difficult and will likely be deferred to later negotiations, but responsibility for other agriculture- and infrastructure-related issues can be transferred to the self-governing council immediately.

A joint Palestinian-Israeli commission for economic cooperation could coordinate agricultural exports, reduce competition in domestic and export markets and enhance West Bank farmers' export potential. Jordan, a primary market for West Bank agricultural produce, could also be represented on this commission, providing practical justification for the existence of a joint Palestinian-Jordanian delegation to the current negotiations on an interim settlement.

The telecommunications system in the territories is inadequate. The self-governing council could be allowed to solicit international bids to set up a modern system. Naturally, Israeli companies should be allowed to compete in this and other such tenders.

It is doubtful that the current Israeli government, given its composition and its declared policies, is capable of making such changes in the territories. The provocative settlement in Silwan, approved and financed by Yitzhak Shamir's government, demonstrates its opposition.

Great difficulties are evident in the gap between the negotiating expectations of the Shamir government and the Palestinians. While Mr. Shamir favors limited autonomy as the end of the process, the Palestinians consider self-government a transitional stage on the way to independence. However, the measures described above can be easily implemented almost instantly if Israel sincerely intends to give the Palestinians in the West Bank and the Gaza Strip self-government as part of an interim agreement.

The writer, a retired Israeli general, directed civil administration in the West Bank from 1985 to 1987 and now heads the Golda Meir Association, which teaches democratic values to Israeli high school students. He contributed this comment to The Washington Post.

Gorbachev Let In The Light

By Anthony Lewis

BOSTON — Mikhail Gorbachev went out like the old year, unmourned. There was a grudging quality to much of the comment when he resigned. He was not a true democrat, the foreign critics said. He fumbled economic change. He temporized, he wavered, he failed.

The criticism was even harsher at home. Roy Medvedev, the anti-Stalinist Communist historian, said: "The country that was the Soviet Union in 1985 when Mikhail Gorbachev came to power was incomparably better, given all its deficiencies, than it is today."

Was it? In 1985, thousands of political prisoners suffered in the gulag, and anyone who said a critical word about the system was likely to join them. In 1985, Andrei Sakharov was held in Gorky, harassed by the KGB, force-fed when he went on a hunger strike. In 1985, there was no independent newspaper or broadcasting station in the whole vast country.

In 1985, East Germans who tried to cross to the West were machine-gunned on the Berlin Wall. Czechs and Slovaks lived in a grim silence, held in an alien empire along with Poles and Hungarians and Bulgarians.

All that Mr. Gorbachev ended. He let the light of free speech and a free press in on his country, ending 70 years of totalitarian darkness. He sent no armies when the Berlin Wall was breached, when Czechs, Poles and the others formed governments of their own choice; he invited the process.

In 1985, no one dreamed that freedom could come so far, so fast — that the enormous mechanism of tyranny would be dismantled in less than seven years. Or that it could happen quite peacefully, despite the armies of bureaucrats and secret police and soldiers at the regime's command.

It happened that way only because someone who knew the system intimately, who knew the psychology of its legions, took it apart. Only Gorbachev the ultimate insider could do it. Andrei Sakharov was the voice of truth, the inspirer, the saint, but the Communist structure would not have dissolved itself at his command.

Melor Sturua, an Izvestia columnist visiting at the University of Minnesota, writes in Foreign Policy magazine that the fall of communism was inevitable anyway. Yes it was, some day. So, too, could one predict that white supremacy could not go on forever in South Africa, but that does not lessen the achievement of President F. W. de Klerk in undoing it now.

Mr. Gorbachev was really interested in power, Mr. Sturua writes. If that were so, he could easily have blocked change, kept the lid of tyranny on and enjoyed the life of an old-style Soviet leader. If a dodderer like Leonid Brezhnev could hold the system together for years, he surely could. And it was expectable that Mr. Gorbachev would: A man who came up through the system, playing the servile games, enjoying the power and privileges.

But he did the opposite. He brought Mr. Sakharov back from Gorky. He opened the way for a critical press. He ended the Communist Party's historic monopoly of political power, allowing others to speak and organize.

Then in 1988 he made the crucial move of creating a parliament that would actually be elected by the people. It was an imperfect election but it was free enough to register popular disaffection from communism, and to make the idea of democracy take hold.

He made great mistakes. He freed Mr. Sakharov but would not heed Mr. Sakharov's warnings. His unwillingness to put himself to the test of popular election cost him legitimacy. He made more and more concessions to the conservatives, failing to see their threat until they moved against him in the August coup.

The coup was his undoing when it aroused public resistance and then revulsion against the whole Communist idea. But there was irony in that. For without the experience of increasing freedom under Mr. Gorbachev, it is doubtful that editors and broadcasters and ordinary people would have had the courage to resist the coup as they did.

The world owes him as much as his own people. He ended the Cold War, the greatest menace to freedom everywhere — and to life. He turned back the hands of the nuclear clock.

The correct judgment, I think, is the one made by David Remnick of The Washington Post, writing just before the fall in The New York Review of Books: "Despite the twilight aura gathering around him now, Gorbachev will surely be counted as the dominant politician of the second half of the Twentieth Century."

The New York Times.

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1892: Trouble Ashore

PARIS — Encouraged, doubtless, by the example of Chili, the Samoan islanders have attacked the crew of the Unites States corvette Iroquois. President Harrison will, of course, demand an apology from some one of the local Kings — Samoa has of late suffered from an excess of Kings — and will insist on the payment of an indemnity in the shape of cocoanuts. When men-of-war's men go ashore, they get drunk and get into a fight. If we demand reparation for every drunken sailor that manages to get his head broken we will quarrel with every nation American vessels visit.

1917: Hausfrau's Plea

LONDON — Starvation and revolution are staring Germany in the face, says the *Daily Express* correspondent who has visited small towns near the Dutch frontier as well as Cologne and Hanover. "We are starving," German women say. "Tell everybody outside Germany we are starving. If our soldiers can stand it any longer we cannot. We women of Germany cannot go on seeing our children suffering deprivation and hunger. We cannot and will not. Death is better than such a life. Ask them to have pity on us for our own Government has none. Tell them all we are starving."

1942: Libyan Port Falls

CAIRO — [From our New York edition:] South African troops, advancing into battle behind British tanks, have occupied the Libyan port of Bardia and killed or captured all of its 5,000 Axis defenders, it was announced tonight [Jan. 2]. The 1,000 imperial soldiers imprisoned there were liberated. The fall of the stronghold, fifteen miles from the Egyptian border, removed a serious rear-line threat and released British reinforcements for the major contest more than 3,000 miles to the west where General Erwin Rommel's remaining Nazi armies are holding out at Agedabia.

OPINION

Russia Can Make Its Way To Supply and Demand

By William Safire

WASHINGTON — Put yourself in the shoes of an assignment editor for any of the American news media today, as shoppers in Russia return to stores closed for the New Year's holiday.

You dispatch reporters to cover an inflationary horror show. What Mikhail Gorbachev had long flinched from doing, Boris Yeltsin has dared to do: ended the state subsidies for most goods, removed the corrupt bureaucracy from the marketplace and opened the economy to the law of supply and demand.

You send one camera crew to a food market to take pictures of the price signs, and ask for interviews with enraged shoppers who cannot afford the food in the stores.

You send another foreign correspondent to a Russian economist raised in the Communist system, who deplores the "shock therapy" of the elected leadership and predicts the inflation that led to the collapse of Germany's Weimar Republic, followed by food riots in Moscow and an authoritarian coup.

For the reaction of the American intelligentsia, you get a sound bite from a think-tanker with CIA ties or a Gorbaphile in a Princeton tie: "didn't work in Poland, won't work in Russia" is bitten off, or "the Russian people are not culturally prepared for self-rule, and yearn for the stability of central command."

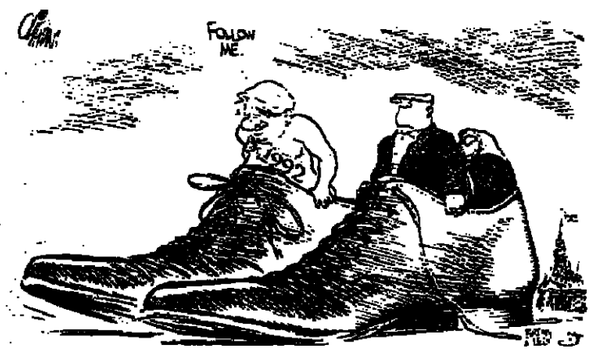
That is the obvious "story": anger and worry in the faces of women wearing babushkas, learned predictions of doom by the acolytes of proponents of failed half-measures, and a satisfying exaggeration of the pace of inflation and degree of collapse by statisticians long fooled by the phony high figures of Kremlin economists.

That is the story because it is (a) easy to cover, (b) gratifying to panic mongers and (c) safe — what everybody else is saying the story is. And nobody ever gets burned for predicting doom; it can be explained later as just a proper show of concern.

But let us not confuse the conventional coverage with reality. The tectonic news, as distinct from the troubling human-reaction story on the surface, is that Russia and its neighboring republics are at last accepting the law of supply and demand.

That is revolutionary change, and decidedly for the better. But instead of cheering, bargaineering liberals (who were prepared to pay $30 billion to induce free markets and defense cuts) are moaning about safety nets while supply-siders led by Jack Kemp are bewailing the bold floating of the ruble.

Face it: The Yeltsin men may be making some mistakes of their own,



but they are not making the huge mistake of the long Gorbachev nosedive. They are not trying to salvage the Communist system. On the contrary, they are taking the plunge into the icy waters of free enterprise.

But why, some tidy minds demand, can't the old command economy be replaced gradually and painlessly and tidily? Because turmoil does not give you time. Politicians new to office have only a certain grace period — a few quarters, a year or two at most, to inflict the pain of necessary change. America's own politicians, safely espousing free market principles, tend to forget that risking political capital is the highest form of capitalism.

A couple of years ago a Leningrad student told me, "We are now free to call for change, and we do, all the time — but nothing changes."

A month ago the new Russian foreign minister, Andrei Kozyrev, responded: "Our people will tolerate hardship if they see real change. If you want to help the Russian people, you should assist the forces of change."

How can we Americans help? By joint-venturing with Russians in getting oil out of the ground and into pipelines and ships; by sending practical experts to show Ukraine's farmers and transporters how to keep harvests from rotting; by re-thinking COCOM regulations that prevent new telephonic communication technology from pulling the Russians out of their business morass; by organizing a private Capitalist Corps to compete with the Peace Corps in showing the former Soviets how to manage and how to enforce contracts.

What is "horror show" to us, as the novelist Anthony Burgess pointed out, is also the Russian word *khorosho* — "O.K." Through the trials of transition to supply and demand, the historic story of 1992 will be how the enduring Russians turned out khorosho.

The New York Times.

Is a Puzzlement, Wherever She Is

By Henry Allen

WASHINGTON — New Year, new world. And is a puzzlement, as the King of Siam sang in "The King and I" back when it was Siam and not Thailand, which is also back when it was Leningrad before it became St. Petersburg again.

It had been St. Petersburg before, back when it was also Istanbul, not Constantinople, as somebody sang once. Why, the song asked, "did Constantinople get the works? It's nobody's business but the Turks'"

But if it's the business of the people who live there, why do we call Deutschland Germany, and why don't we talk about the Sverige Bikini Team?

"I think there's a good argument for calling people what they call themselves," says Barbara Fine, president and founder of the Map Store on Farragut Square in Washington.

But why do we call it Spain, then? Or Rome? Or Cologne? Or Moscow?

"We are being more sensitive to new emerging nations."

Byelorussia is hardly an emerging nation, but now, before you've even learned to pronounce it, you're being asked to call it Belarus. The Ukraine was long emerged, but now you have to call it simply Ukraine, which sounds wrong, like talking about visiting Netherlands, or swimming in Pacific Ocean. Then again, we got used to not saying "the Argentine."

Indeed, the collapse of colonialism is what put the whole geo-linguistic world on tumble dry, turning part of the Congo into Zaire and creating the Central African Republic, which for a while was the Central African Empire before subsiding again into the Central African Republic, in the manner of Cambodia becoming Kampuchea becoming Cambodia again. That was a tough one. The anti-colonialists all leapt to advertise their triumph and their virtue by saying Kampuchea, but at the same time Pol Pot and his Communists were slaughtering their countrymen in unspeakable numbers. Then it became Cambodia again and we could relax.

In any case, it was anti-colonialist emergence that turned world geography into something like those conversations

MEANWHILE

you used to hear at the sort of weddings where the women were identified by who they used to be. "Didn't she used to be Spruance before she was Willoughby? Or am I thinking of his first wife and not her maiden name?"

What was the maiden name of Upper Volta before it became Burkina Faso? Doesn't Burkina Faso look like the name of somebody who'd write memoirs of a charming foreign childhood for the New Yorker? Or is that Jamaica Kincaid? Or Kalaallit Nunaat, which became the name of Greenland in 1982?

One always associated Burma with "shave" and "road," but now it says it's Myanmar, although the U.S. government hasn't recognized the new name, maybe because Myanmar sounds like something they make tennis rackets out of, as somebody said the other day.

"I think we still say Peking. We still say Burma," says Martin Fletcher, of The Times in London. No doubt warming to playing the Englishman, he adds, "I think we take the position we know best, not the people who live there."

Asked where he comes from, he says: "I would say England, but you might say the United Kingdom or Great Britain. Of course, 90 percent of the people who live there don't know the difference between the U.K. and Great Britain."

There's a difference? What is it?

"I'm part of the 90 percent," he says.

It is politically correct, and properly multicultural and culturally relativistic, to use whatever name is insisted on by whatever junta or revolutionary council is in power, and the more chaotic, tyrannical and impotent the country in question is, the more correct it seems. There are no Washington dinner party points to be scored by talking about visiting the fiords of Norge, for instance, but Myanmar is popular.

On the other hand, the astute pilot of Washington's diplomatic narrows will note that the old Asia hands, the real mavens, never talk about Beijing or Guangzhou but keep on referring to Peking and Canton.

"I will give you another example," says Stanley Karnow, a mandarin among mavens. "The main street of Saigon was called Catinat under the French. Then around the early '60s or so it became Tu Do. Then I think it got changed to Dong Khoi. But when you go there, they still call it Catinat." And so does he.

The Japanese call their country Nippon or Nihon. But according to Peirce Lewis, a cultural geographer at Penn State, "no one else does. Japan comes from Marco Polo, who had the name as Chipangu, which became Japan."

Well, Ceylon was probably a Western traveler's corruption too, and Sri Lankans say they don't like it. Why don't the Japanese object? "The fact that they call themselves Nihon is a source of pride," Mr. Lewis says. "No one else does. It's their private name for themselves."

In 1986, the Ivory Coast served notice that its name was not to be translated from the French Côte d'Ivoire, no doubt throwing the anti-colonialists into confusion. But in Abidjan, the capital of Côte d'Ivoire (Abidjan — didn't that used to be ...), speakers and proponents of Esperanto, the international language, call their own country Eburo Bordo, according to Jim Lieberman, past president of the Esperanto League of North America. "Of course, in our older atlas it was Eburbordo," he adds, "and it was Eburio for a while."

If there's that much confusion in a language that no one speaks, what happens in the ones that people do?

"There are linguistic differences and there are content differences," says Jonathan Pool, a professor of political science at the University of Washington in Seattle. A linguistic difference is the difference between Moscow and Moskva. But the difference between St. Petersburg and Leningrad is one of content.

"You get problems over there with the Cyrillic alphabet too," says Mr. Pool. "With the Serbs and the Croats you have two people speaking the same language but with different alphabets, and then they argue about whether to call it Serbo-Croatian or Croato-Serbian."

The sanctioning body for country names in the United States is the U.S. Board on Geographic Names, says William Wood, who is the geographer for the U.S. Department of State. "Usually the board tries to reflect the wishes of the government concerned," he says, but he notes that "the whole issue of name changes changes with each country."

How long has this been going on? Wait it when we stopped describing ourselves as tribes or hordes, or vassals of Vlad the Impaler, or worshipers of the Golden Poobah, or subjects of the empire, and started thinking that countries should be named for the people in them? That started happening in a big way with the French Revolution, 200 years ago.

Were things more peaceful 300 years ago, then? "Three hundred years ago, we did not have clearly defined boundaries," Mr. Wood says.

As opposed to now.

The Washington Post.

LETTERS TO THE EDITOR

An American Hero of '43

Regarding "An American Hero of '41, Decidedly in the Minority" (Opinion, Dec. 6) by Colman McCarthy:

Although I recognize the courage of Representative Jeannette Rankin's lone stand in Congress in 1941 as a pacifist, she is no hero. Indeed, how could anybody in 1941 — two years after Hitler started the war in Europe and had already massacred thousands of innocent civilians including Jews — take up such an attitude?

I remember praying in the dark hours of 1941 that the English would resist Hitler. When the Americans came to our rescue, we knew the war would not last long and victory would be on our side and for the free world.

I shall always remember the afternoon of Oct. 14, 1943, when a stricken Flying Fortress crash-landed near our village. We comforted the wounded and the dying, who sacrificed their lives to enable us to live.

We buried Donald Rowley, the 21-year-old navigator who managed to guide the plane into Switzerland, in a Basel cemetery. There is a wreath in the woods where he died: "We shall never forget. Thank you." *He* was a hero.

We must not confuse what Colman McCarthy calls "war hysteria" with defending a country against a gang of butchers. I am no "hawk," but I pray that America will always have the courage and the desire to defend liberty and democracy in the world.

JEAN-PIERRE WILHELM.
Commugny, Switzerland.

A Step Toward Peace

In response to the editorial "A Disgrace Is Rescinded" (Opinion, Dec. 18):

At this stage of the Middle East peace process, when mutual confidence is low, measures designed to break down psychological barriers between the sides are crucial.

Voting for the repeal of UN Resolution 3379 [calling Zionism a form of racism] could have been one such measure; but is the participation of both parties not central to the concept of negotiations? The question relevant to the survival of the Palestinian people, and therefore the Arab states negotiating with Israel, is not whether Zionism is a racist philosophy, but whether Israel as a state exercises policies based on racial or religious discrimination.

The facts on the ground point to the continuous oppression of Palestinians in respect of personal and political rights, the allocation of resources, and the fundamental question of identity. Israeli construction of settlements in the Occupied Territories continues unabated, together with the unending confiscation of land, accompanied by a fresh crackdown on Palestinians.

In the context of ongoing, supposedly substantive peace negotiations, an end to these policies avowedly based on criteria of race and religion would be a genuine and positive step in the direction of confidence-building and true peace.

S. El-SAID.
Office of His Royal Highness
Crown Prince Hassan of Jordan.
London.

Track the Soviet Warheads

There is appalling danger in the bland acceptance by the West that the nuclear weaponry of the former Soviet Union will be controlled by the power structures of the successor Commonwealth republics under the presumptive leadership of Russia.

A review of the best current numbers compiled by the International Institute for Strategic Studies offers some insight into the scope of the problem. In the category of strategic weapons alone, the institute's total count is 10,181 warheads. When all of the nuclear weaponry in the former union is understood in terms of deployment and the complex machinery of logistical control, it becomes a horror. There are tens of thousands of individuals directly involved in the systems, each of which is fluid by definition. The fragmentation of control creates gaps that are not self-evident, and thereby carry a built-in virus of grave proportions.

The leadership of the republics should welcome teams from the West with a substantial background in nuclear weapons, to track the listed inventory. A rigid control on a unit-by-unit basis is the only way to be sure that the Saddams of the group of rogue countries will not strike a multimillion deal with some weak link in the present structure and escalate to the ranks of nuclear terrorism.

The struggling republics have not yet been able to adequately distribute food supplies to their people. Why should it be accepted that their logistical control systems for nuclear weaponry are errorproof, let alone safe against a deliberate attempt to subvert them?

WARREN E. KRAEMER.
Moraira, Spain.

More Than Cheese at Stake

Regarding "Suffocated by a Bland Leviathan" (Opinion, Dec. 14):

The "harmonization" of the minutiae of life and the absurd plethora of decrees on everything from cheese to condoms, which George Will deplores, will do more than drain Europe of interest and vitality. It will cost the livelihoods of countless small independent producers, growers and craftspeople whose activity, often geared entirely to a local market, is the backbone of a healthy economy and a democratic state. It will also provide countless opportunities for corruption. Giant regulatory bureaucracies (does anyone remember the U.S.S.R.?) feed on nepotism and bribery.

M. SCHNEIDER.
Penzance, England.

Letters intended for publication should be addressed "Letters to the Editor" and contain the writer's signature, name and full address. Letters should be brief and are subject to editing. We cannot be responsible for the return of unsolicited manuscripts.

GENERAL NEWS

The Message Is Stirring, the Delivery Monotone

This is the last in a series of articles on candidates for the Democratic presidential nomination.

By Karen De Witt
New York Times Service

NASHUA, New Hampshire — Anyone looking for a slick political campaign will not find it on the hustings with Paul E. Tsongas.

Mr. Tsongas, a former senator and representative from Massachusetts, runs a dogged campaign that works voter to voter, town to town, and captures space in the media seemingly newspaper by newspaper and sound bite by sound bite.

His is a Spartan campaign with a hair-shirt message: America must wake up to its economic peril or slide into a Third World posture of chronic unemployment and lowered living standards. His solution: an economic pragmatism, mixed with patriotism, sacrifice and responsibility, intended to recapture America's manufacturing preeminence.

This is not a message geared to win the hearts and minds of voters who ditched the Democrats and President Jimmy Carter's "malaise" for Ronald Reagan's "Morning in America" and George Bush's "No new taxes."

But given the economic downturn, a certain disillusionment with shop-till-you-drop materialism, and an American altruism that has not been tapped in several elections, it could be a stirring message.

The problem is that Mr. Tsongas does not stir.

Whether he is speaking to international executives in Washington, or unemployed blue-collar workers in New Hampshire, Mr. Tsongas delivers his message of economic bootstrapping not with the bravado of a candidate intent on victory but with soporific sincerity.

Mr. Tsongas, 50, can occasionally be peevish in his presentations, warning his listeners that if they reject him and his message, "I'll go home to Lowell, make money and take care of my family."

Then there is the cancer that retired Mr. Tsongas from the Senate in 1984. Though he has overcome the disease — he consulted with his doctors before announcing his presidential campaign — its specter rises each time Mr. Tsongas looks the least bit tired.

Mr. Tsongas is also a Greek-American Democrat from Massachusetts, which leads to unflattering comparisons to Michael S. Dukakis, another Greek-American from Massachusetts, who in 1988 failed to wrest the White House from Republicans.

Ron Edmonds/The Associated Press

Paul Tsongas displaying a copy of his pamphlet, "A Call to Economic Arms," which trounces both parties' ideologies.

Some political pundits think that what Mr. Tsongas really wants more than the party's nomination is the opportunity to influence the political debate and help to define the party's platform.

"He might provide the message for some other messenger," said Robert Squier, a Democratic consultant who is not advising any of this election year's contenders. "That's not fair but that's politics.

"Voters get down to does this person, act, sounds, looks like a president?" he added. "His problem is he doesn't."

What political professionals see as liabilities, Mr. Tsongas tries to present as assets. He is the dark horse that no one has ever taken seriously, the man who beat cancer and the odds in his political races.

It is the tack taken in the television advertisement running in New Hampshire.

Called "Swim," it is a 30-second spot of Mr. Tsongas doing the strenuous butterfly stroke the length of a pool while a narrator talks about his history of surprising the political odds makers and overcoming cancer, and ends with "Paul Tsongas has never been afraid to swim against the current."

Tsongas makes the ad a kind of courageous march against the odds.

"The nuclear weapon in this business is 30-second TV ads, O.K.?" he told an audience in December. "Now, we've already run our first ad. The ad which we've run in New Hampshire, which is the first primary state where we're putting a lot of effort in, is an ad of me swimming the butterfly. Very intellectual. I wanted to demonstrate courage. And I am 50 years old. And I was photographed in a Speedo bathing suit. I challenge you to do the same thing."

The party pundits do not openly ridicule Mr. Tsongas's campaign, but neither is he considered a serious contender.

"Paul Tsongas is a good guy who was an effective senator who has absolutely no chance of winning," said Ted Van Dyk, a Democratic consultant, in a comment typical of those heard in Washington political circles.

But Mr. Tsongas said he was not intimidated by the other Democratic contenders and conceded stature only to Governor Mario M. Cuomo. Without Mr. Cuomo, Mr. Tsongas said, "we don't have any 1,000-pound gorillas" in the contest.

Mr. Tsongas contends that the Democratic Party has an inferiority complex that prevents it from seeing that it can recapture the presidency with the economic issue.

In New Hampshire, which has been hard-hit economically, Mr. Tsongas frequently emphasizes how far removed the Republicans are from the lives of ordinary Americans. He tells audiences there that the only unemployed person from New Hampshire that Mr. Bush knows is John Sununu. It gets appreciative applause.

His solution is pro-business, but he touts his liberalism on social issues, citing his experience as a teacher for the Peace Corps in Ethiopia. He favors abortion rights, civil rights and homosexual rights. But the economy is foremost.

Without a vibrant economy, Mr. Tsongas says, the social services the Democrats have brought to the country cannot be maintained.

"No goose, no golden eggs," he told his audiences, noting that he serves on a dozen corporate boards.

Mr. Tsongas thinks he will fare well in New Hampshire — and he is considered by many political organizers to be the candidate to beat here — not because he is from a neighboring state but because of his message of economic renewal.

"My strategy has always been to be the last person standing and to try to end up as the person who can steer the country away from economic disaster," he said.

"As long as people can believe that this is a temporary economic setback, that life is a beer commercial, a candidate like me has no relevance," he said. "But my message truly resonates in the business community because they're really scared. That I'm not a dominant orator is irrelevant because they want to get out of this dilemma."

He added: "I know I'm the best candidate. Now if I could just convince God to make me a movie star."

Rivals Say UN Truce Holds in Cambodia

Compiled by Our Staff From Dispatches

PHNOM PENH — Cambodia's rival armies assured United Nations military representatives Thursday that a cease-fire was holding despite Khmer Rouge accusations that Vietnamese soldiers had massacred villagers.

"I told them they must give orders to their soldiers to stay in place," Brigadier General Michel Loridon of France said after a session of the joint military group set up under a UN-brokered accord.

"The four factions told me the cease-fire was being respected," said General Loridon, military commander of the mission in Cambodia. "I hope it's true."

The general said the faction leaders were trying to adhere to the cease-fire, but that they had some discipline problems involving rebel soldiers who had turned to banditry.

He also said the four factions had agreed to meet weekly at one another's headquarters.

Thirty-three UN liaison officers are deployed in the four faction headquarters and the provinces of Siem Reap and Battambang. Seventeen others are in Phnom Penh.

In Moscow, the Russian Foreign Ministry, citing recent "disorders," called for the immediate deployment of UN peacekeeping forces in Cambodia.

The Foreign Ministry statement, published by Tass, said Russia was willing to take part in the force.

"UN operations in Cambodia must be carried out with strict respect to the spirit and the letter of the Paris peace accord," the communiqué said.

On Wednesday, the Khmer Rouge faction charged that Vietnamese troops had shelled villages in eastern Kompong Cham Province from Dec. 13 to 15.

In Hanoi on Thursday, the government rejected the Khmer Rouge charge. A Foreign Ministry spokeswoman said Vietnam had withdrawn its troops from Cambodia years ago.

General Loridon said the incident was not mentioned when senior officials of the government army and three guerrilla armies met UN representatives here on Thursday. *(Reuters, AFP)*

Afghanistan Settles Into Warlike Peace

By Barbara Crossette
New York Times Service

WASHINGTON — An era has ended in Afghanistan, 12 years after a Soviet invasion drew Washington into a proxy war with Moscow over a poor crossroads country that for centuries had been the focus of big-power rivalry.

Under an agreement announced on Sept. 13, Kabul's former backers in Moscow and Washington pledged to end all military assistance to their respective allies — the leftist government of President Najibullah and a loose alliance of Islamic rebel groups based in Pakistan — by the first of this year.

Officials on both sides say that the pledge had been met before the deadline, clearing the way for the formation of a transitional government under UN sponsorship.

But Afghans and independent analysts say that Afghanistan's strife is far from over, and that the nation of 15 million, where more than a million people died in war and 5 million fled into exile, faces more instability within its borders that could spill over into the former Soviet Central Asian republics.

"The military era is over for us," said Hamed Karzai, foreign policy adviser to the president of a fractious Afghan rebel coalition supported by the United States, Pakistan and Saudi Arabia. "Now we have to concentrate on how to solve the bigger problems of Afghanistan."

"Afghanistan is so divided and there are still so many hands in the Afghan issue that the country may lose itself to its divisions," said Mr. Karzai, who is here on what he described as "a strictly private visit."

Afghan rebels, quarreling among themselves, are united in their unwillingness to include President Najibullah, a ruthless head of the Afghan secret police who rode to power on a Soviet tank, in talks about a future government.

Among the Afghan rebels, there is a fear that the Najibullah regime, having lost Russian aid, will be supported by governments in neighboring Tajikistan and Uzbekistan, where secular leftist leaders would be concerned that Islamic rule in Kabul would encourage Muslim fundamentalist movements within their borders.

"They would support Kabul not out of love for Najib," Mr. Karzai said, "but because a resistance government in Afghanistan would be seen as a threat to their secular social structure."

Barnett G. Rubin of Columbia University, writing in a memorandum to be delivered at the Carter Center for policy studies at Emory University in Atlanta this month, said:

"Today the war in Afghanistan is not solely or even mainly about who is to govern Kabul and under what rules of the game. It is about the nature of the state of Afghanistan itself."

"As much as, if not more than, the former Soviet Union, Afghanistan is threatened with economic collapse and ethnic and sectarian conflict," Mr. Rubin said. "Combined with the coming crisis of the international state system in Central Asia and the escalation of tensions between nuclear-armed adversaries on the Indian subcontinent, Afghanistan threatens to become part of a region-wide challenge to world peace."

On Tuesday, Prime Minister Nawaz Sharif of Pakistan said in Islamabad that his government was not bound by the Washington-Moscow agreement. The Pakistani military is known to have a continuing interest in Afghanistan, which many consider a key point for influence in Central Asia.

A U.S. official said that it was not likely that Pakistan can do much on its own to continue a war in Afghanistan so long as it must devote most of its resources to defense against India.

In addition, the United States cut off all military aid to Pakistan in the fall of 1990. The official discounted reports that U.S. weapons were being delivered to the Afghan rebels by way of Saudi Arabia.

Officials also do not believe that India, which has been a strong supporter of General Najibullah, would be willing to back him militarily at a time when New Delhi, having lost its Soviet alliance, is seeking friends in the West.

■ Weapons Stocks High

Rocket explosions and gunfire ushered in the New Year in Afghanistan, dashing any hopes of early peace, Reuters reported from Tapa Niazi, the last outpost of the Afghan Army on the road south from Kabul.

Diplomats in Kabul say weapons stocks will last at least another two years. Pakistan and Saudi Arabia have yet to commit themselves to stop arming the mujahidin and senior members of the ruling Watan party say the government will not hesitate to buy weapons.

Trivia: Find Your Culture Quotient

New York Times Service

NEW YORK — Measure your cultural connoisseurship with this quiz on the milestones and millstones of 1991.

1. What bird laid Hollywood's biggest egg this year?

2. The summer's biggest box-office surpise in the United States put spots before moviegoers' eyes — 6,469,952, to be exact. What was it?

3. What do Richard Nixon, Malcolm X, Charles Manson, the Rev. Martin Luther King Jr. and now Leon Klinghoffer have in common?

4. "I believe Lee Harvey Oswald acted alone," said Kevin Costner in "Bull Durham." Now he doesn't. Explain.

5. The ghostly rustling of a red taffeta petticoat could be heard when the first black actress in more than 50 years won an Academy Award. Who was she and who wore the petticoat?

6. A Carnegie Hall gala was great fun, but it was just one of those things celebrating the centennial of a debonair Hoosier. Who was he?

7. Scarlett fever raged to a record $9 million. What did that money buy?

8. Violence chic. Identify these recent works about psychopaths:

a) a play about singing, dancing Presidential killers and wannabe killers.

b) a movie about a brilliant psycho-killer who has a taste for flesh.

c) a book about a serial killer obsessed with designer labels.

9. One word says it all: what rapper has joined the ranks of Cher, Madonna, Prince and Liberace?

10. A modern silent movie is in the works, directed by a spiky-haired enfant terrible. Name the names.

11. "I'll never grow up," sang Peter Pan. Famous last words?

12. Match the line to the movie:

a) "Hasta la vista, baby."

b) "I'm having an old friend for dinner."

c) "Go and find your smile."

d) "Be sweet to your wife. My husband wasn't sweet to me, and look how I turned out."

13. What singer who died in 1965 is half of a duet that topped the charts recently?

14. Rosebud went for another ride. Explain.

15. "It's kind of like Fellini meets 'The Boys in the Band,'" said a megastar about her latest film. Who's talking about what?

Compiled by Linda Amster with Jan Benzel and Alessandra Stanley for The New York Times.

Gretchen Ertter/NYT

THE ANSWERS

1. "Hudson Hawk."

2. The re-release of Disney's "101 Dalmatians."

3. They are all characters in modern operas.

4. In "JFK," Oliver Stone's latest movie, Kevin Costner portrays Jim Garrison, the New Orleans district attorney who believes there was a widespread conspiracy to assassinate President Kennedy.

5. Whoopi Goldberg, who won the best supporting actress award for her performance in "Ghost," and Hattie McDaniel, who won for her role as Mammy in "Gone With the Wind."

6. Cole Porter.

7. The television rights to Alexandra Ripley's novel "Scarlett," the sequel to Margaret Mitchell's "Gone With the Wind." It is more than three times the previous record paid for television rights to a book.

8. a: Stephen Sondheim's Off Broadway musical "Assassins."

b: Jonathan Demme's film "The Silence of the Lambs."

c: Bret Easton Ellis's novel "American Psycho."

9. M.C. Hammer, who struck the initials from his name.

10. Peter Sellars, who is directing "The Cabinet of Dr. Ramirez," loosely based on the 1919 German classic "The Cabinet of Dr. Caligari."

11. Yes. Steven Spielberg's long-awaited new film "Hook" is the tale of a grown-up Peter.

12. a: The Terminator (Arnold Schwarzenegger) in "Terminator 2: Judgment Day."

b: Hannibal (the Cannibal) Lecter (Anthony Hopkins) in "The Silence of the Lambs."

c: Barbara (Patricia Wettig) in "City Slickers," telling her husband, Mitch (Billy Crystal), to go on a cattle drive.

d: Thelma (Geena Davis) in "Thelma and Louise."

13. Nat (King) Cole. On her new album, Natalie Cole harmonizes with a tape of her late father's voice.

14. New prints were struck for a re-release of "Citizen Kane" on the movie's 50th anniversary.

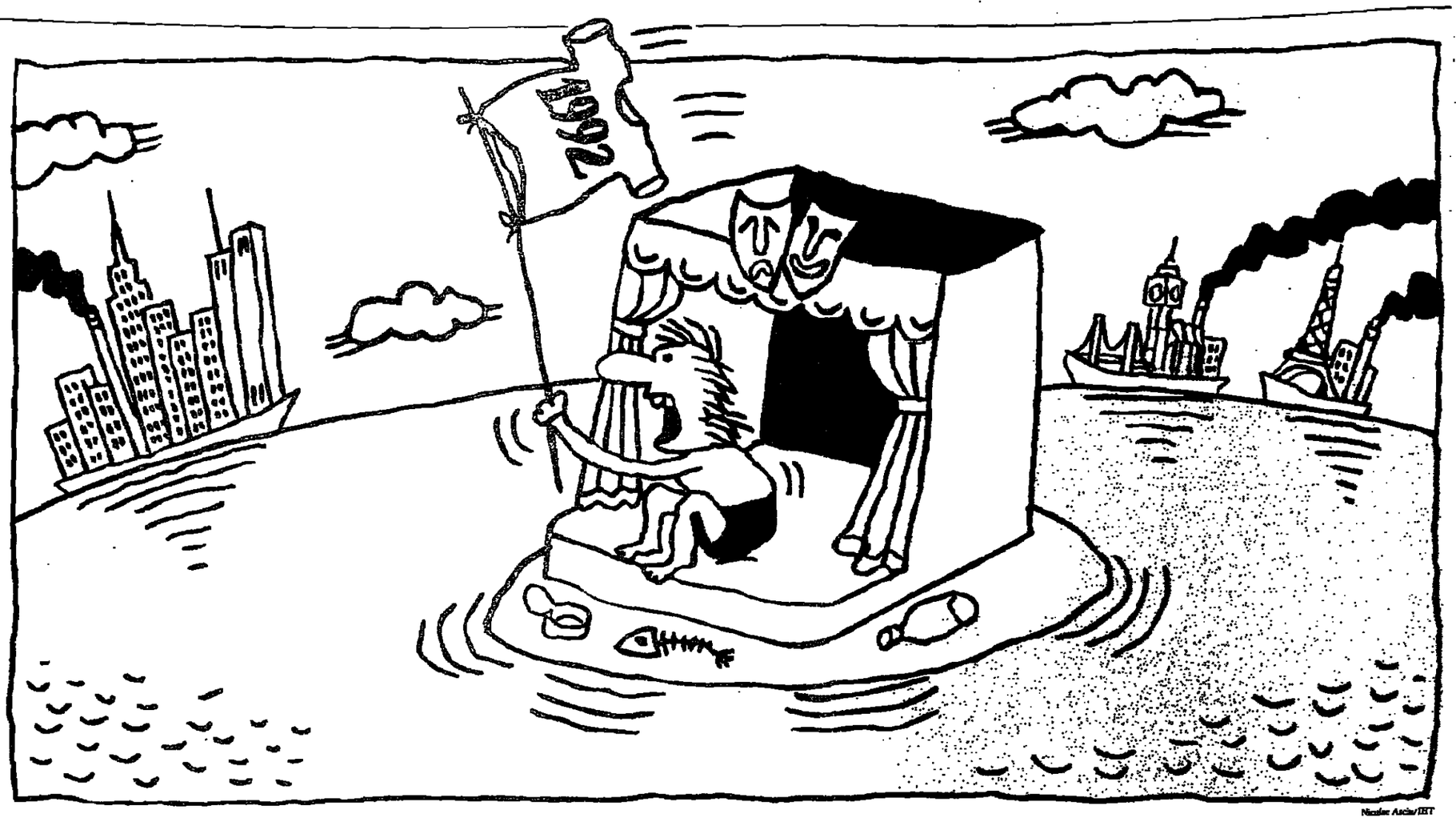
15. Madonna about "Truth or Dare."

YOUR SCORE

More than 10 correct: Connoissseur
Less than 5 correct: Philistine

HEAR THIS

■ Last year the psychic Terri Brill predicted a quake would dump California into the ocean, according to the Skeptics Society. In her defense, Brill said that the Skeptics Society twisted her predictions around to make her look wrong. "I never said California would fall into the ocean," she said from her Redwood City, California, home. "I said the coastline would change, not disappear." Anyone for 1992?



Nicolas Ascia/IHT

Theater: The Hit/Flop Climate Reaches London

By Sheridan Morley
International Herald Tribune

LONDON — Around the London theaters in 1991 it has been, to quote the one-time actor and theater critic Charles Dickens, the best of times and the worst of times. If you happened to be Andrew Lloyd Weber, with five fully sold-out musicals playing virtually all year, or the impresario Cameron Mackintosh, also with five sold-out musicals only two of which were the aforementioned Andrew's, then the boom has come to resemble a bonanza with no foreseeable ending. If, on the other hand, you were any other producer or musical writer in town (not least the ones who cobbed together "Matador" or "Children of Eden" or "Hunting of the Snark") then this has to have been the worst box-office year in living memory.

The truth, and it is a scary one, is that the West End is fast approaching Broadway. Not so many theaters may be closed, nor is the theater district as derelict, nor the unions and national pride as problematic, but we are now for the first time into a hit/flop climate. Until recently, say a couple of years ago, it was quite possible to find at least a dozen shows around the West End that were technically neither hits nor flops. They occupied a safe and often intriguing middle ground, playing for maybe three to six months to around 60 percent capacity, breaking even so long as they had a small cast and not too ambitious a set. No more: Now the hits stay with us forever (indeed "now and forever" as they say on the "Cats" posters), while the flops and even near misses are folding their tents before you can even start to spell Recession. It is no longer enough to have a show that some of the people quite like some of the time.

Moreover the multinational tourist economy, while keeping a dozen or more big musicals rich and fat, is masking a quiet collapse of the legit market, so that those in search of a new drama or even a classical revival are now likely to find it only amid the safely subsidized houses of the South Bank and the Barbican or out toward the pubs and clubs of the North and West London fringe.

Nor has this been the best of years for the major established playwrights. Of the new work we were promised from Arthur Miller, Alan Ayckbourn, David Hare and John Osborne, the Osborne failed to materialize altogether (after a rehearsal row with its star Peter O'Toole), the Miller ("The Ride Down Mount Morgan") emerged, elegant but oddly anticlimatic, the Ayckbourn was in two parts and hopelessly overpadded, and the David Hare ("Murmuring Judges") proved less successful in its anatomy of the judiciary than his superb "Racing Demon" had been of the Church of England.

All of which left Alan Bennett, at the year's end, to pick up the laurels with his masterly "Madness of George III," a play which also gave its star (last year's Broadway-Tony-winner Nigel Hawthorne) more than a reasonable chance of another actor-of-the-year award.

His only real competition there came from John Wood, whose wonderfully quirky King Lear came into the Barbican from Stratford, and Robert Stephens who at Stratford made a memorable return to greatness with the Falstaff of his generation. Among actresses there were the usual front-runners (Vanessa Redgrave for her patchy Isadora Duncan in "When She Danced," Fiona Shaw for an over-the-top Hedda Gabler), but it was Juliet Stevenson in a brilliantly suspenseful political thriller from Chile ("Death and the Maiden") who finally scooped the pool.

Revivals of the year were led by "Carmen Jones" at the Old Vic and a superbly costumed-and-designed "Woman of No Importance" by Philip Prowse at the Barbican. This last production however underlined a major theatergoing problem at the Barbican and the National: Hit shows are scheduled, like the flops, for no more than two or three performances a week, sometimes no more than half a dozen a month, and critics on guaranteed first-night tickets are apt to underrate, as are the managers, an increasing fury on the part of theatergoers unable to get in to the only shows they are told are worth seeing.

WITH the Barbican closed again this January and February, and the National already sold out for its two great Alan Bennett hits ("The Wind in the Willows" and the "George III"), box-office irritation is at an all-time high. Schedulers in '92, whatever the difficulties of the repertoire and cross-casting system of subsidized companies, will have to work out a better way to let their audiences see their shows if they are not to be forever alienated.

As always in an election year, the government has been unusually generous to the Arts Council, but the Thatcherite dream of private-company sponsorship has been hard hit by the recession, and cash is still hard to come by if you happen to want to stage a new playwright with a large cast anywhere in central London. There will, over the next few weeks, be the usual West End bloodbath as anywhere between a dozen and 20 shows that were barely clinging on for the holiday season finally put up their notices, but a cooler temperature-taking in about March should give us some idea of the true state of the theatrical economy for 1992. It will not be good, but with luck it may not prove catastrophic either.

New York: Not Only With Words

By Frank Rich
New York Times Service

NEW YORK — Throw away those scripts, some of the greatest moments on Broadway were wordless:

Great Theater Without Words I: In Brian Friel's "Dancing at Lughnasa," five unmarried sisters in the County Donegal, Ireland, of August 1936 momentarily escape poverty, drudgery and despair with a spontaneous dance to the pagan music blaring forth from their new Marconi wireless.

Great Theater Without Words II: In Jon Robin Baitz's "Substance of Fire," Ron Rifkin plays a modern King Lear of Gramercy Park — an elitist New York book publisher and embittered Jewish father — who tries to eradicate a lifetime of crippling rage by setting fire to a postcard painted by Adolf Hitler.

Great Theater Without Words III: Nathan Lane, Christine Baranski, Anthony Heald and Swoosie Kurtz test the waters of a Fire Island swimming pool whose owner died of AIDS in Terrence McNally's "Lips Together, Teeth Apart."

Great Theater Without Words IV: A compact mirror bounces a shower of healing light against the glass wall of a sickroom in Scott McPherson's "Marvin's Room."

Too Many Words: The imaginatively staged "La Bête," a comedy attacking the cynicism of craven popular entertainers and the stupidity of their audiences, was written entirely in rhymed couplets, lest anyone confuse its author (David Hirson) with hoi polloi.

Immortal Words: After the Clarence Thomas hearings, a reference to "pubic hair" turned up in "Park Your Car in Harvard Yard," while excerpts from the hearings were played in the New York Shakespeare Festival production of Shakespeare's "Pericles."

Wordless Drama Critic: Nicol Williamson, who strolled offstage during the scenes that bored him in Paul Rudnick's high-spirited comedy about the over-the-top ghost of John Barrymore, "I Hate Hamlet."

Never Met a White Man I Didn't Like: "The Will Rogers Follies," a musical whose democratic hero champions the poor and downtrodden in an Act 2 sermon, opened without a single black performer in its large cast.

Never Met a Madman They Didn't Like: "Everyone's got the right to their dreams," sang John Wilkes Booth, Charles Guiteau, John Hinckley and the other title characters of the Stephen Sondheim-John Weidman musical, "Assassins."

Never Met an Award It Didn't Win: Neil Simon's "Lost in Yonkers" won almost every theater prize in June but lost its powerhouse prize-winning stars (Irene Worth, Mercedes Ruehl, Kevin Spacey) and capacity audiences by the end of summer.

The American Dream: Jonathan Pryce, whose claim on the role of a Eurasian pimp brought the New York theater community to the brink of civil war in 1990, received a Tony Award from his former antagonists for his electrifying star turn in "Miss Saigon."

The Hit That Got Away: The best Broadway musical score of 1991 was that written by Alan Menken and Howard Ashman for the Disney animated movie "Beauty and the Beast." Ashman, who died of AIDS this year, and Menken were frequent collaborators off-Broadway but had never worked as a team on a Broadway musical.

THE MOVIE GUIDE

Nolte and Streisand pair off; Miles Davis trumpets in "Dingo"; Peter Weller is a pseudonymous Burroughs.

The Prince of Tides
Directed by Barbra Streisand. U. S., Columbia.

Nothing about Barbra Streisand's previous acting or direction is preparation for her expert handling of "The Prince of Tides," pared down from Pat Conroy's sprawling, hyperbolic novel to a film that is gratifyingly lean. The three Wingo children, Luke, Savannah and Tom, seem to do everything in unison, often on either the very best or very worst days of their lives. Their mother, Lila, who raised them idyllically on a South Carolina sea island, was both the most soothing and the most treacherous parent in the world. Their abusive father, Henry, cast a giant shadow over his children's lives. The film centers on the adult Tom's efforts to overcome the effects of his painful childhood and come to terms with the women in his life. These include Dr. Susan Lowenstein (Streisand), Savannah's psychiatrist, who enlists Tom's help and winds up getting to the heart of his troubles, too. Streisand gets out of the way, never upstaging Nick Nolte's superlative Tom.
(Janet Maslin, NYT)

Gekashitsu
Directed by Tamasaburo Bando, Japan, Shochiku.

This 50-minute film marks the directorial debut of famous *onnagata* (female impersonator) Tamasaburo. In it he adapts a story by turn-of-the-century Japanese Symbolist Kyoka Izumi. Tamasaburo does not appear in the film, but his intentions are everywhere. Older but still beautiful society lady refuses anesthesia during grave operation (the title means Surgery Ward) to guard her secret — that it was she who paid for the medical education of the handsome student who is now her surgeon. Despite the plot the film is not camp. Performances and colors are muted and the period details are proper.
(Donald Richie, IHT)

Naked Lunch
Directed by David Cronenberg. U. S., 20th Century Fox.

Adapted by David Cronenberg from William S. Burroughs's 1959 novel, this represents a remarkable meeting of the minds. Yet while Cronenberg's ingenious approach to his material matches Burroughs's flair for the grotesque, it also shares the author's nonchalance and ice-cold wit. Instead of attempting the impossible, Cronenberg has treated this disjointed, hallucinatory book as a secondary source. Concentrating instead on Burroughs himself, the drug experience that colors his writing and the agonies of the creative process, Cronenberg also devises purely metaphorical versions of the author's wild and violent sexual scenarios. Centering on the adventures of Bill Lee, played by Peter Weller as a deadpan evocation of the author, the film begins with smallish bugs, then moves on to ever more huge, horrible and intelligent ones.
(Janet Maslin, NYT)

Dingo
Directed by Rolf De Heer. France/Australia, Gevest.

Crocodile Dundee with angst. The jet carrying Billy Cross (Miles Davis) and his band to their next concert lands in Poona Flat in the middle of western Australia. The tiny population rushes to the airstrip. The experience changes the life of a local boy, John Anderson. Twenty years later, Anderson, now nicknamed Dingo, fantasizing about Cross and the big time in Paris, plays wistful trumpet alone in the bush and with his band. Colin Friels is attractive as Dingo but gets stuck in awe-mode. Marc Rosenberg's script puts Milesian lines in Cross's mouth: "You think the grass is greener somewhere else? It's true." Essentially Davis plays his enigmatic self. He and Michel Legrand wrote the music.
(Mike Zwerin, IHT)

Paris: Hugo and Peter Pan Add Life to a Busy Season

By Thomas Quinn Curtiss
International Herald Tribune

PARIS — At the new year, more than 150 entertainments of theatrical art are holding forth in the French capital. The bulging list is evidence of wealth in variety.

Francis Huster is impersonating Gustav Mahler in "Putzi" at the Théâtre Antoine, and Michaël Lonsdale is in Claudel's "L'Echange" at the Théâtre Renaud-Barrault. Molière, Voltaire, Chekhov, Guitry, Ionesco, Anouilh and Beckett are some of the authors on the boards. Robert Hossein's pious pageant, "A Man Named Jesus," is drawing crowds to the vast Palais des Sports, and at the Fort d'Aubervilliers, Zingaro is delighting all ages with his "Opéra Equestre."

The Comédie Française has just added to its repertory an ornamental resurrection of Victor Hugo's "Le Roi s'amuse," in which a lascivious François I harasses pretty young women. His ardent attentions to the sheltered daughter of his hunchbacked jester brings about her murder.

This gory revenge tragedy was threatened by the police on its initial appearance in 1832 on the grounds of morality and lèse-majesté. Hugo changed names and places to soothe the censors. It was popular everywhere, but when Verdi appropriated it as the libretto for "Rigoletto," the play faded from the stage.

Jean-Luc Boutté, who has directed its comeback, accompanies its emotional surges with rumbles of thunder and dispatches his actors to rush up and down the auditorium. Within the proscenium frame the production has pictorial beauty. The opening, with the courtiers in glittering Renaissance costumes against a sky-blue backdrop, is a stunning achievement, and the decor of the grim waterfront where muddled assassinations take place is created as a sinister shadowland.

Hugo's eloquent verse is up to his glorious reputation, but his narrative in the mold of the early-19th-century melodrama often skirts caricature. Jean-Philippe Puymartin is successful as the womanizing ruler, but Roland Bertin has a struggle as the court clown and Isabelle Gardien has not yet the command to move one as the betrayed heroine.

"Cuisines et dépendances" (Kitchen and Pantry) by Agnès Jaoui and Jean-Pierre Bacri (at the Théâtre La Bruyère) is the comedy hit of the season, a cleverly engineered farce about a disastrous dinner party in an offstage dining-room.

Comic domestic distress is a common subject of American playwrights, but frequently with sweetened situations. French audiences prefer more peppered treatment and have greeted this unsentimental scramble with open arms. The authors, with actors Zabou, Sam Karmann and Jean-Pierre Darroussin, play it with biting, realistic humor.

James Barrie's "Peter Pan" is a classic of the century and revived almost every year in London for the Christmas vacations. It made its debut in 1904 and there is a legend that it is performed every night somewhere on the globe, a myth difficult to hunt down. Broadway musical adaptation, has been neatly translated into French to triumph at the Casino de Paris in Alain Marcel's handsome mise-en-scène with its ever-appealing inventions — the woolly dog hired as a nanny, the boy who never grows up, the children who take wings, the dreaded pirate chief done up as Charles II whose only fear is that a crocodile will gobble him up, the lightning bug Tinker Bell.

Fabienne Guyon is a butchy Peter, Nathalie Lhermine is a pleasing Wendy and Bernard Alane doubles as Father Darling and the ferocious Hook. Imported musicals have not always been to French taste, but this one and "Les Misérables" have won the heart of Paris this season.

"PLEINS FEUX" by Didier Kaminka and Mary Orr, at the Michodière is based on the film "All About Eve," derived from a magazine story by Orr. The play is only a family cousin of the movie that had an established French actress whose understudy seeks to replace her. The vivacious Line Renaud enlivens the evening with a forceful performance as the endangered star.

هكذا من الأصل

Ellen Rudolph

Tom Wright, an American-born Soto Zen priest, at the Sosenji zazen center in Kyoto.

Finding the Spirit of Zen in Japan

By James Sterngold
New York Times Service

KYOTO, Japan — Pass through the weathered wooden gate of Kyoto's huge Daitokuji temple complex, walk along the mud and stone walls of hidden gardens, turn up a narrow walled path and, to the left, enter the gate marked with a faded wooden sign that reads "Zazen."

Inside lies a Japan that few foreigners — or Japanese, for that matter — come in contact with these days. It is not just an entry to an exquisite Zen Buddhist temple and handsome garden, of which there are many in Kyoto, but to a place where *zazen* — sitting meditation — is a way of life and not a cultural curiosity.

In this case, it is also a way open to foreigners.

For those who have read Alan Watts or D. T. Suzuki, two famous Zen Buddhist scholars, and wondered about the world they describe, for those who like to travel and also to meditate, or for those who wish to encounter a different, if increasingly isolated Japan, there are still many urban and rural zazen centers to explore.

It is a rigorous discipline certainly not accessible to everyone, although not the remote, esoteric practice that some made zazen out to be in the 1960s.

Much of Japan's greatest art, be it haiku poetry, calligraphy, ink-drawn scrolls, the tea ceremony, flower arranging or even traditional garden design has been inspired by the austere and elusive Zen spirit. To practice Zen meditation surrounded by the culture is a way of touching the aesthetic more deeply than through a casual visit.

The zazen centers range from mountain redoubts where the adepts live ascetic lives, to open centers in some big cities where visitors are welcomed at regular meditation sessions, guided by experienced priests.

Foreigners can take part by stopping by for an hour or two at designated times or, in some instances, by staying for several days of meditation, work and vegetarian cuisine.

Zen Buddhism came to Japan from China, where it flowered in the sixth century. In the 12th century it began to spread through Japan.

It differs from other schools of Buddhism in many ways, but two key points are its emphasis on making meditation its central tenet rather than adherence to a particular scripture or doctrine and a lack of the elements usually associated with a religion.

This may be difficult for Westerners to grasp, but religion in general plays a very different role in Japan. People rarely worship, in the Western sense, and freely mix rituals from Shinto, Buddhism and Christianity to mark events like marriages or funerals.

Few, in fact, practice zazen, not many Zen temples have zazen sessions, and even those who do meditate do not always consider themselves Zen Buddhists. It is not considered a form of worship, but a discipline, a way to self-knowledge, or simply a way to unwind.

It is one of the many contradictions — and attractions — of Zen that it has so few serious followers in Japan, yet has come to seem the very essence of Japanese culture.

There is no orthodox zazen routine, and even within the various Zen sects different priests follow slightly different paths. They all include some form of sitting, usually on pillows set on mats, for periods of an hour or more.

Staying overnight or for several days at some of the zazen centers generally follows an even more rigorous routine. The food is all vegetarian, the days usually begin early, sometimes at 3:30 A.M., and one's time is divided between meditation, instruction, chores and eating, with only a little free time.

The three important points are posture, a straight back and relaxed shoulders, breathing, which you count to make it even and deep, and the eyes remaining open enough to let light in, but not enough to see anything clearly.

For those who want to plunge into an extended experience with zazen in a wonderful location, Eiheiji, one of the main temples of the Soto Zen sect, offers stays of up to three days. English-speaking visitors can arrange to have an interpreter on hand. The temple is situated in lush mountains near the Japan Sea, not far from Fukui City. The schedule is rigorous.

To adepts, zazen can be a means to everything from self-knowledge to contentment. It is also a form of deep relaxation in a serene place for those whose expectations run to something less than enlightenment.

Tom Wright, an American who has lived in Kyoto for 24 years and is a priest in the Soto sect, prefers the word sitting to meditation. His sect uses no koan or other verbal focus, but attempts in zazen to reduce the influence of the ego and just let thoughts flow by in uninterrupted form. "My advice to newcomers to zazen is not to suppress, not to reject, and not to chase after," Wright said.

DO'S AND DON'TS

Physical Fitness
Do exercises to limber up before participating in "sitting meditation." Zazen can be physically grueling for those unused to spending long periods of time in the lotus or half-lotus positions.

Thrill Seekers
Don't expect a Magical Mystery Tour with levitating swamis and out of body experiences. While some forms of transcendental meditation promise such phenomena, zazen is a quieter and more personal discipline.

Reservations
Do plan ahead to attend zazen sessions. Most temples require reservations. For information, contact the Japan National Tourist Office in Kyoto, (075) 371-5649.

Tightening the Gastronomic Belt

By Patricia Wells
International Herald Tribune

PARIS — In the world of gastronomy, the dawn of the year brings new culinary fashions, new flavors of the month. Here are some personal predictions for the world of food in 1992:

1. The death of Beaujolais nouveau. Not the actual death, really, but a sharp decline in popularity. One of the world's greatest — and most successful — publicity campaigns has run its course. We can hope that all the houses making undrinkably sweet swill will turn their efforts to making a simple, old-fashioned Beaujolais that's light, quaffable, embraceable.

2. A return to neighborhood dining in cities all over the world. That is, if you can still find those neighborhood restaurants. Malachy Duffy of Food & Wine magazine in New York noted recently: "Now that everyone is into recession dining, and tired of all the overpriced, trendy spots in Manhattan, they are ready to go back to the old neighborhood restaurants," the tiny Chinese or French mom-and-pop establishments. The trouble is, they disappeared during the greedy '80s, pushed out by trends. But in Rome, locals note a new popularity of neighborhood trattorias for the evening meal. One reason is, they're close, and you can walk. More important, they are places where you know you will run into friends who have also taken up the habit of dining in the same restaurants two or three times a week.

3. Wine buyers will become more traditional and conservative. At least that's what Steven Spurrier, at Harrods wine shop in London, reports. Bottle for bottle, he is selling more port and less champagne. "If you bring someone a bottle of port, you know they care. It's a drink surrounded by romance, and history, and it will last. Champagne has become commonplace and less special," he says.

4. Diners will become more conservative as well, returning to recession-proof fare such as simple roasts, lots of potatoes, a new taste for inexpensive cuts of meat such as oxtail.

5. Meat is back. As in beef and pork. And a good number of consumers are going to finally admit out loud that even though they know fish is good for them, they feel it just doesn't satisfy the way meat does. Top chefs in both Paris and New York report that during the last six months diners have been ordering more meat and less fish.

6. I would like to predict the death of Pin's, but I realize that is only wishful thinking. I knew that France had truly gone too modern on me when I passed the neighborhood boulangerie the other day: They were offering a free Pin's with the purchase of three *galettes des rois*. (What's wrong with the old-fashioned *fève*?)

7. Now that anti-smokers have pretty much conquered the smoking problem in restaurants (in the United States, at least) the new target is perfume. Elle magazine reports that California activists are launching a campaign to ban certain perfumes from restaurants, on the ground that they interfere with dining pleasure. Their biggest targets are Chanel No. 5 and le Dix de Balenciaga. Perhaps one day they will set aside special perfume sections, so one can dine in peace in the Opium den.

8. Thai, Thai, Thai. Around the world, it's the cuisine that everyone talks about. It's the cuisine that everyone wants to love, for its freshness, its intelligent use of herbs, its exotic air. Until now, the idea has been more talk than action.

9. Australia's Gourmet Traveller magazine predicts that this is the year that herbal teas will become "chic instead of worthy." I agree. Fresh herbal teas (not the ones that come in a sachet and taste like dirt) are on the rise, particularly fragrant blends, such as lemon grass and verbena. I doubt, though, that they will ever make it to the street cafés of Paris. A friend once ordered a verveine in a crowded Boulevard Saint Germain café and was informed that the café did not serve herb teas: "Monsieur, this isn't a hospital," the waiter said.

10. Finally, I predict the decline of the grand, three-hour meal. It's not simply a question of money, but time. The love affair with the grand chefs (particularly the globe-trotting types who have forgotten why they went into the business in the first place) is on the wane. There will, of course, always be exceptions: Taillevent, Jamin, Georges Blanc, and the Auberge de l'Ill among them.

ACROSS

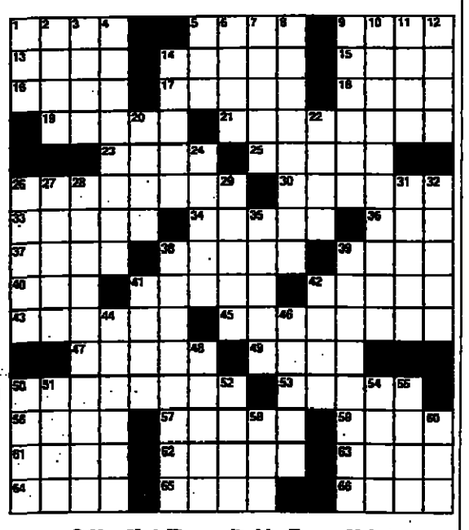
1 Kind of pear
5 Surmounting
9 Threadbare
13 Exchange premium
14 Designer of the modern violin
15 Small-scaled trout
16 Mountain lake
17 Guiding principle
18 Israeli circle dance
19 Halls have been here
21 Conscious
23 Hit terra firma
25 Performs from a lectern
26 Strawberry trees
30 Click beetle
33 Correct
34 Hypothetical particle
36 One of a cheerful trio
37 Riviera resort
38 Famed nonagenarian
39 Japanese flavoring paste
40 Epinicion, e.g.
41 Merino's sound
42 Flax fabric
43 Marine hanger-on
45 Percussion instrument
47 Support
49 Sailors' saint
50 Scatter in drops
53 Lithium, e.g.
56 Mythical pome roller
57 Barrel constituent
59 Brews
61 Film producer Hunter
62 Red dye
63 Cauchos
64 —— morgana
65 Poker fee
66 Acclivity

DOWN

1 Alate mammal
2 Old Irish script
3 Father
4 Chill ——
5 "Odi et ——": Catullus
6 Makes lace
7 Aquatic mammal
8 Cooper's "The ——"
9 Pianist Mitsuko ——
10 Kind of operation or catch
11 Rate
12 Mild expletive
14 With force
20 Lump of clay
22 Palaver
24 Woman's small hat
26 Landed estate
27 Ammonia compound
28 Plotter against Nikolai I
29 City in Gujarat
31 A tripod
32 Swiss-French river
35 Cave, in poesy
38 Euxine
39 Monster slain by Theseus
41 Wheat chaff
42 Claudicant
44 State of India
46 Lake of Russia
48 Singer John
50 Villein
51 Indonesian craft
52 Bridge position
54 Chesterton's "—— Survey"
55 Heel taps
58 Contend
60 Compass dir.

Solution to Puzzle of Jan. 2

M	A	L	T	A		S	O	A	R		A	G	A	S
I	L	I	A	D		C	I	N	E		B	L	I	P
S	A	T	U	R	N	A	L	I	A		R	A	R	A
E	T	E		E	E	N	Y		D	E	A	D	E	N
R	E	R	E	A	D	S		M	A	R	D	I		
			A	R	S		T	A	B	L	E	A	U	X
P	U	R	S	Y		W	H	I	L	E		T	R	I
A	L	E	E		C	H	I	N	E		L	O	N	I
A	N	T		L	O	I	N	S		T	O	R	S	I
R	A	I	S	I	N	G	S		M	A	O			
		A	E	O	N	S		L	E	C	T	E	R	N
M	E	R	I	N	O		G	O	A	T		K	O	A
O	D	I	N		T	R	I	C	L	I	N	I	U	M
A	G	U	E		E	T	N	A		L	A	N	G	E
N	E	S	S		D	E	A	L		E	G	G	E	D



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THE ARTS GUIDE

AUSTRIA

Vienna
Künstlerhaus (tel. 587.96.63). To Jan. 6: "From Eisenstein to Tarkovsky:" An exhibition of paintings by Russian film directors. Also, "From the Revolution to Perestroika:" works by artists of the Russian avant-garde such as El Lissitzky and Malevich.

BRITAIN

London
British Museum (tel: 323.8661). To Feb. 20: "Nihonga:" Traditional Japanese painting, featuring works by Yokoyama, Shimomura, and Hishida.

CANADA

Ottawa
National Gallery of Canada (tel: 990.1985). To Feb. 2: "Strengthening the Spirit: Works by Native Artists."

CZECHOSLOVAKIA

Prague
Mestská Knihovna (tel: 23.22.577). To Feb 9: Paintings and drawings trace the evolution of the Czech artist Okatar Slavik.

DENMARK

Humlebaek
Louisiana Museum (tel: 42.19.07.19). To Jan. 12: "Oceania:" Large exhibition of native art from Melanesia including carved wooden masks, musical instruments, shields and statuettes, loaned by private and museum collections.

FRANCE

Paris
Centre Georges Pompidou (tel: 42.77.12.33). To Jan. 27: Retrospective of works by Max Ernst in celebration of the centenary of his birth. Includes over 250 paintings, sculptures, drawings and collages exhibited in chronological order. Also, two exhibitions of photographs by Gisèle Freund and by François-Marie Banier.
Opéra Bastille (tel: 40.01.16.16). Mussorgsky's "Boris Godunov." Myung-Whun Chung, conductor; Yannis Kokkos, director and designer; featuring Paata Burchuladze as Boris; Jan. 7, 10, 13, 16, 18 and 20.
Opéra Comique, Salle Favart (tel: 42.60.04.99). Lully's "Atys." William Christie, conductor; Jean-Marie Villegier, director; Jan. 21, 22, 24, 25, 26, 28, 31.
Théâtre des Champs-Elysées (tel: 47.23.47.77). Lully's "Alceste." Jean-Claude Malgoire, conductor; Jean-Louis Martinoty, director; Jan. 4, 6, 8.

GERMANY

Berlin
Käthe Kollwitz Museum (tel: 882.52.10). To Jan. 31: 100 drawings and watercolors by Egon Schiele.

Clockwise from top: Gold mask, Lausanne, Switzerland; Frida Kahlo photographed by Freund, Centre Pompidou, Paris; painting by Klimt, Florence.

Bonn
Rheinisches Landesmuseum (tel: 72.941). To Jan. 15: "Photographic Portraits:" First solo-exhibition in Germany of the American Alice Springs

Cologne
Museum Ludwig (tel: 221.23.79). To Feb. 9: Paintings and drawings by the composer Arnold Schonberg.

Düsseldorf
Kunsthalle (tel: 899.62.40). To Jan. 12: "The Father Figure of Video Art:" Retrospective of works by Nam June Paik.

Saarbrücken
Saarland Museum (tel: 663.61). To Jan. 11: "The Russian Avant-Garde and the Stage, 1890-1930." Exhibition of 357 works by 79 artists explores the influence of artists such as Chagall and Eisenstein on the theater.

HONG KONG

Hong Kong
Hong Kong Museum of Art (tel: 522.4127). To Feb. 19: "Too French." Exhibition of contemporary, and mostly French, artists.

ITALY

Florence
Palazzo Strozzi. To March 8: Largest exhibition shown in Italy of works by Gustav Klimt. Includes 34 oil paintings, 64 drawings and 21 posters.

Prato
Centro per l'Arte Contemporanea Luigi Pecci (tel: 570.620). To Jan. 6: "Altrove: Between Image and Identity. Between Image and Tradition." Exhibition dealing with the concepts of identity and displacement. Includes works by Antonio del Castillo, Wim Delvoye and Cindy Sherman.

JAPAN

Kobe
Kobe City Museum (tel: 391.0035). To Jan. 26: "Perspective Paintings in the Edo Period." Exhibition of prints, paintings, pottery and cartography.

NETHERLANDS

Amsterdam
Joods Historisch Museum (tel: 626.99.45). To April 12: "The Old Testament in Paintings of the Golden Age." Exposes the highly original interpretations of the Old Testament by such 17th century Dutch masters as Pieter Lastman and Ferdinand Bol.
Rijks Museum (tel: 673.21.21). To March 1: First international exhibition of Rembrandt's work. Includes 46 major paintings, drawings (shown until Jan. 19), etchings and 31 works by his pupils.

SPAIN

Madrid
Centro de Arte Reina Sofia (tel: 467.5062). To Feb. 24: Large and simple geometric sculptures by the American Robert Therrien.

SWITZERLAND

Geneva
Musée Rath (tel: 28.56.16). To Jan. 12: Works by Edward Hopper, from international collections including the Whitney Museum in New York.

Lausanne
Fondation de l'Hermitage (tel: 20.50.01). To Jan. 26: "Ecuador: Earth and Gold." Exhibition of pre-Columbian gold objects and ceramic statuettes.

UNITED STATES

Los Angeles
Norton Simon Museum (tel: 449.6840). To Jan. 12. Exhibition documenting Picasso's attraction to monuments of painting and sculpture.

New York
Metropolitan Museum of Art (tel: 535.7710). To Jan. 12: A major retrospective of Georges Seurat's work, marking the centennial of the artist's death. Also, "Neo-Impressionism:" 70 works by Seurat's friends and followers.
National Academy of Design (tel: 369.4880). To Jan. 12: "Hallowed Haunts: The Drawings of Charles Addams." The first retrospective exhibition of Addams's work features 73 drawings amd watercolors.

Washington
National Museum of African Art (tel: 357.4600). To Jan. 12: "African Reflections: Art from Northeastern Zaire." Several hundred masks, figures, musical instruments, items of personal adornment and other works by artists from the Mangbetu, Azande and other people of the region.

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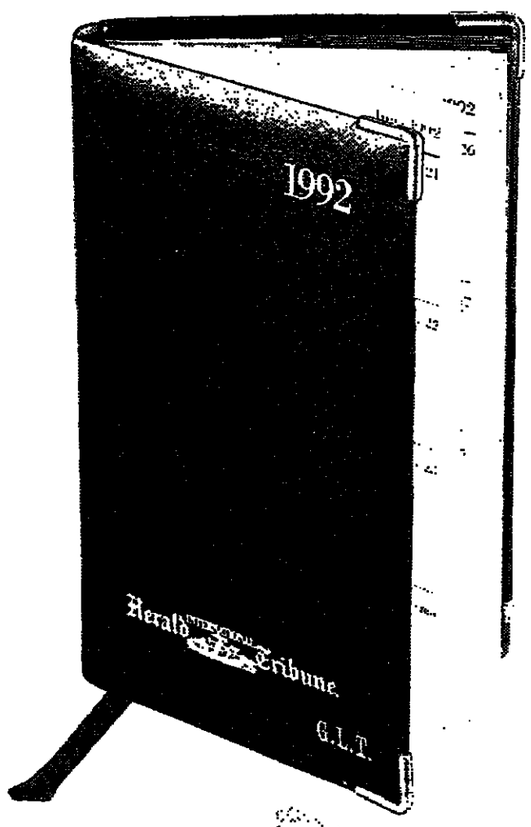

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Country ——— 3-1-92

NYSE

Thursday's Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. *Via The Associated Press*

(Continued on page 12)

NYSE Highs-Lows

NEW HIGHS 114

AMD, AdvestGrp, AmBldgMnt, ArmHome pf, AsstSpSrs n, BldgHem, BenetonGp, BlackSch, BosE 146prI, CableWire, CenLgtElec, ClevEl pfA, Consld 465pf, CrmpKnwl, DayHPL pfB, DotE 932pf, DiaCp pf, DomRsWi, DuHP pfH, DukeP pfK, DutyF pf, EmrsnEl pfF, EnsleptPf, FlshrSci n, GTE 2pf, GTE Fla 8.16, GnMill, GnPh.sics n, GrndMetr n, HarfrdCp, HlthTr s, HelliaNY, HlthRs, IlPwr 428pf, IlPwr 824pf, IlcmraSys, InfrRe, KCPL 280pf, KCSouInd, KimbClr wi, KimcoRlty n, LakehdPip n, LillCo pfZ, Lydall s, MerillLyn, MorgStPfB, NBB Bcp, NorgGmII, NiM 106pf, NiM 410pf, NuvMuInc, NuvPerfM, NSPw 400pf, NorwstPfB, OhPw 776pf, Nymex, NumNPenn n, PaPL 870pf, OhioEdIspn, OldRepIn, PennaPwrL, PhilEl 780pf, PhilEl 775pf, PlumCreek, PollCvMgt n, PubSvc Col, PSEG 430pf, PSEG 808pf, PumDvPr, Rollins, RollmLeasg, SCANA, SealdAir n, ShellTrns, StdCmCse, ShopShop n, Syscd, TylerCabot, Tenneco pfP, Tosco pf, UnivCP wi, UnivNV, UnElT744pf, WMS Ind, UnvHlRlT, VKMFl n, WorldCorp, WelmsRlty, WstnGasRs n, Westvaco

NEW LOWS 3

Airlease, SequoB, SterlOptcl

AMEX Highs-Lows

NEW HIGHS 31

ATT Fd, AlgstBn n, AmTr-mrk,un, ClmbDvA s, FidelFncl, PrEmpirSt, HamptonUn, HubelA, HubelB, IGI Inc, LincNC, MedevaRn, MidAmBc, MunIvest, MrPutaSv, OrioleHme B, PGE 150pf, PGE 125prB, OrioleHme A, PrsiCa s, PhilLpDis, PrsdBcp, PGE 196prM, PresdLionInn, SPI Pharm, SherwdGp, PubStar 7 n, US Biosci, US Bio wi, Westcorp, TmB B

NEW LOWS 5

Andcl, BeardOil, Groning, KVAs, Scopelnd

هكذا من الأصل

WALL STREET WATCH

Carolco Hopes Buyback Will Play With Investors

By Richard W. Stevenson
New York Times Service

LOS ANGELES — Having produced the biggest box-office hit of the year, "Terminator 2: Judgment Day," Carolco Pictures Inc. should have been feeling good about 1991 and looking forward to 1992. Instead, it is going into the new year struggling to come up with enough cash to continue making movies and paying its debts.

Carolco said Monday that it wanted to buy back some of its bonds at 65 cents on the dollar to reduce its debt payments. And it disclosed the departure of its chief executive, Peter M. Hoffman, a significant change that most of Hollywood had expected.

Mr. Hoffman is leaving after clashing over the company's direction with Carolco's chairman, Mario F. Kassar, who is steering the studio back to its core business of making a handful of relatively big-budget films each year.

The betting is that lenders will agree to terms that allow the studio to stay alive.

Despite its success with "Terminator 2," Carolco has been struggling, in part because other movies have done poorly. As a result, Carolco had said for months that it was facing financial difficulty. But in a prospectus issued Monday in conjunction with the bond-buyback offer, the company offered its bleakest assessment yet.

Carolco said it fell $6 million short of the cash it needed for December and it expected to have a minimum net cash-flow deficit of $31 million for the three months that end on Feb. 28.

The company also said it expected its cash flow would not be sufficient to allow it to take on new debt as of Dec. 31, under the terms of its debt agreements, unless its bondholders agree to amendments the company is seeking.

The studio, which laid off 50 of its 200 workers this month, said it was considering further cutbacks and the possible sale of parts of its film library.

In November, Carolco reported a third-quarter loss of $43.7 million and a nine-month loss of $91 million. Much of the loss stemmed from a restructuring of Live Entertainment, a home-video distributor of which Carolco owns 53 percent.

WITH THE POSSIBILITY of insolvency hanging over it, Carolco has been negotiating with its banks, which include Crédit Lyonnais and Bankers Trust, as well as three foreign companies that are large shareholders: Pioneer Electronics Corp. of Japan; Canal Plus, a French pay television company, and the RCS Group, an Italian media company.

The betting among investors, who have seen Carolco's stock price plunge to about $2 a share over the last six months from more than $10, is that the company and its lenders will work out an agreement to allow the company to stay alive with a package of new or refinanced loans. Carolco's shares closed Thursday at $1.875 on the New York Stock Exchange, unchanged.

"This company is clearly worth more alive to banks and bondholders than it is dead," said Jeffrey Logsdon, an analyst at Seidler Amdec Securities in Los Angeles. "Whatever mistakes have been made are in the correction mode."

There is also speculation in Hollywood that Carolco will seek financial help by negotiating a new deal with Sony Corp.'s Tri-Star Pictures, which distributes Carolco's films to theaters in the United States in return for a slice of the box-office receipts.

Daily Variety, the trade newspaper, reported recently that Carolco and Tri-Star were considering a deal under which Tri-Star would provide more financing for the production of Carolco films in return for a greater portion of the box-office receipts or the right to distribute some films internationally. A spokeswoman for Carolco declined to comment.

Analysts said it was unclear how bondholders would react to the offer of 65 cents on the dollar. The bonds have plunged in value as Carolco's woes have increased, and traded before the announcement of the buyback at about 68 cents on the dollar. But Carolco structured the deal so that if 100 percent of the notes were not tendered, it would buy a little more than half of the outstanding debt for between 66 cents and 85 cents on the dollar.

CURRENCY RATES

Cross Rates

Jan. 2

	$	£	D.M.	F.F.	Lira	D.Fl.	B.F.	S.F.	Yen	C$	Peseta
Amsterdam	1.7085	3.3875	1.1267	0.3299	0.1489 *	—	5.4785 *	1.2635	1.3768 *	1.4825	1.771 *
Brussels	31.19	58.75	20.588	6.029	2.7215 *	18.275	—	22.98	0.2522	27.04	32.37 *
Frankfurt	1.5177	2.851	—	0.2928	0.1322 *	0.8874	4.857 *	1.1216	1.2245 *	1.3149	1.573 *
London (a)	1.871	—	2.8518	9.7368	2,157.50	3.2173	58.75	2.5455	232.91	2.1538	181.31
Madrid	96.50	181.179	63.688	18.626	8.488 *	56.456	3.089	71.323	77.854 *	83.724	—
Milan	1,148.40	2,155.00	756.60	221.50	—	671.54	36.742	848.55	9.257	995.58	11.886
New York (b)	—	1.8645 a	1.5302	5.225	1,150.00	1.7247	31.525	1.366	124.38	1.158	97.345
Paris	5.1875	9.724	3.4154	—	0.4515 *	3.0317	0.1659	3.83	4.18 *	4.485	5.3085 *
Tokyo						Closed					
Toronto	1.1511	2.1498	0.7528	0.2206	0.996 *	0.6687	3.461 *	0.8442	0.9246 *	—	1.184 *
Zurich						Closed					
1 ECU	1.3426	0.7151	2.0368	6.9558	1,540.93	2.2948	41.9417	1.8165	166.411	1.5474	128.557
1 SDR	1.4336	0.7632	2.1758	7.4368	N.Q.	2.4595	44.7857	N.Q.	N.A.	1.653	N.A.

Closings in Amsterdam, London and New York, fixings in other centers; Toronto rates at 3 p.m.
*a: To buy one pound; b: To buy one dollar; *: Units of 100; N.Q.: not quoted; N.A.: not available.*

Other Dollar Values

Currency	Per $	Currency	Per $	Currency	Per $	Currency	Per $
Argentine peso	1.00	Greek drac.	174.55	Mex. peso	3089.00	S. Afr. rand	2.7405
Austral. $	1.3236	Hong Kong $	7.778	N. Zealand $	1.8657	Soviet ruble**	90.00
Austr. schil.	10.65	Indian rupee	25.84	Norw. krone	6.0531	Swed. krona	5.6125
Brazil cruz.	1040.00	Indo. rupiah	1984.01	Phil. peso	26.15	Taiwan $	25.50
Chinese yuan*	5.4342	Irish £	0.5716	Port. escudo	133.40	Thai baht	25.65
Danish krone	5.9761	Israeli shek.	2.24	Saudi riyal	3.7495	Turkish lira	5025.00
Egypt. pound	3.3376	Kuwaiti dinar	0.2839	Sing. $	1.6255	UAE dirham	3.6727
Fin. markka	4.1135	Malay. ring.	2.722	S. Kor. won	759.00	Venez. boliv.	61.55

** Official rate. ** Tourist rate (commercial rate: 1.6989.)*

Forward Rates

Currency	30-day	60-day	90-day	Currency	30-day	60-day	90-day
Pound Sterling	1.8566	1.8466	1.8365	Canadian dollar	1.1558	1.1587	1.1614
Deutsche mark	1.5269	1.5336	1.5407	Japanese yen	124.95	125.09	125.22
Swiss franc	1.3656	1.3701	1.3748				

Sources: NMB Bank (Amsterdam); Indosuez Bank (Brussels); Banca Commerciale Italiana (Milan); Banque Nationale de Paris (Paris); Bank of Tokyo (Tokyo); Royal Bank of Canada (Toronto); IMF (SDR); Gosbank (ruble). Other data from Reuters and AP.

INTEREST RATES

Eurocurrency Deposits

Jan. 2

	Dollar	D-Mark	Swiss Franc	Sterling	French Franc	Yen	ECU	SDR
1 month	4⅛-4¼	9 9/16-9 11/16	8-8⅛	10 9/16-10 11/16	10 ⅛-10 ¼	5½-5⅝	10⅜-10½	6⅞
2 months	4 1/16-4 3/16	9 9/16-9 11/16	8-8⅛	10 9/16-10 11/16	10 1/16-10 3/16	5 7/16-5 9/16	10 5/16-10 7/16	6 ¾
3 months	4 1/16-4 3/16	9½-9⅝	8-8⅛	10 9/16-10 11/16	10-10⅛	5 5/16-5 7/16	10 ¼-10 ⅜	6¾
6 months	4 1/16-4 3/16	9½-9⅝	8 1/16-8 3/16	10 7/16-10 9/16	9⅞-10⅛	5¼-5⅜	10 ⅛-10 ¼	6⅝
1 year	4 1/16-4 3/16	9 7/16-9 9/16	7⅞-8	10 5/16-10 7/16	9 13/16-9 15/16	5 1/16-5 3/16	10 1/16-10 3/16	6½

Sources: All Reuters except ECU: Lloyds Bank.
Rates applicable to interbank deposits of $1 million minimum (or equivalent).

Key Money Rates

Jan. 2

	Close	Prev.
United States		
Discount rate	3½	3½
Prime rate	6½	6½
Federal funds	5.00	3½
Com paper 90-179 days	4.00	4.05
3-month Treasury bills	3.83	3.85
6-month Treasury bills	3.84	3.86
1-year Treasury bills	3.92	3.90
30-year Treasury bond	7.47	7.40
2-month CD's	3.84	3.84
3-month CD's	3.83	3.83
Japan		
Discount rate	4½	5.00
Call money	Clsd.	6 7/16
2-month interbank	—	6 1/32
3-month interbank	—	5 13/16
Germany		
Discount rate	8.00	8.00
Lombard rate	9¾	9¾
Call money	9.55	9½
1-month interbank	9.60	9.65
3-month interbank	9.60	9.65
6-month interbank	9.60	9.65
Britain		
Bank base rate	11.00	11.00
Call money	10⅝	10¾
3-month interbank	10 15/16	11.00
6-month interbank	10⅞	11.00
France		
Intervention rate	9⅛	9⅛
Call money	10⅜	10 11/16
1-month interbank	10 3/16	10⅝
3-month interbank	10⅛	10 5/16
6-month interbank	10.00	N.A.

Sources: Reuters, Salomon Brothers, Bank of Tokyo, Commerzbank, Crédit Lyonnais.

Asian Dollar Deposits

Jan. 2

1 month	4 1/16 - 4 3/16
2 months	4⅛ - 4¼
3 months	4⅛ - 4¼
6 months	4⅛ - 4¼
1 year	4 3/16 - 4 5/16

Source: Reuters.

U.S. Money Market Funds

Jan. 2

Merrill Lynch Ready Assets 30-day average yield:	4.57
Telerate Interest Rate Index:	4.092

Source: Merrill Lynch, Telerate.

GOLD

Jan. 2

	A.M.	P.M.	Ch'ge
Hong Kong	354.25	353.55	+ 0.20
Luxembourg	351.75	—	— 1.60
Paris (12.5 kilo)	356.66	356.75	+ 2.48
Zurich		Closed	
London	351.20	350.90	— 2.50
New York	—	352.35	— 1.90

Luxembourg, Paris and London official fixings; Hong Kong and Zurich opening and closing prices; New York spot market close. All prices in U.S. $ per ounce.
Source: Reuters.

Playing Tomorrow's Financial Markets

No Quick Bounce for Dollar

New York Times Service

NEW YORK — As the new year begins, the dollar is falling, like last year. But analysts are not expecting a rapid, sharp rebound of the sort that occurred at the beginning of 1991. In fact, some forecasts show the dollar falling to record lows against the Deutsche mark before it makes a modest recovery late in the year.

The latest jolt to the sagging dollar came the week before Christmas, when the Bundesbank raised German interest rates sharply and the Federal Reserve cut U.S. interest rates sharply a day later. By the end of the year, the dollar had lost almost all the ground it had gained against the mark and other European currencies in 1991 and had fallen against the yen as well.

Profit-taking on the mark gave the dollar its best day in two weeks. Page 10.

Many foreign-exchange dealers expect the dollar to resume its downward trend next week as trading volume picks up after the holiday break, Reuters reported.

"The dollar has not risen in response to Wall Street's recovery," one trader said. "But it is likely to respond negatively when Wall Street prices start to ease again."

The chance of new lows combined with the possibility of a subsequent rally could make the year difficult for American business, especially exporters or companies that have significant operations abroad. As long as the dollar is falling or remains low, they are in great shape, because their foreign profits are worth more in dollars.

But they will have to scramble to protect profits from abroad by hedging if the dollar suddenly turns higher. And a turn in the dollar may not be nearly as easy to read this year as it was last year.

"We are looking at the effects if the dollar were to turn around," said Peter M. Donahower, assistant treasurer at Tandem Computers Inc. in Cupertino, California. "We are laying in levels of protection using options in case the general market expectation is wrong."

Last year analysts pinpointed the turn in the dollar fairly quickly, although it came in February, sooner than many expected.

But they were generally fooled by the sharpness and speed of the dollar's increase — up 23 percent against the mark by July 2. They were a little less stunned by its plunge at year-end, when the hope for economic recovery in the United States evaporated.

The dollar ended 1991 at 1.5170 DM, up only 1.68 percent, and showed similar increases against other European currencies.

As for the yen, it gained steadily and quietly on the U.S. currency. The dollar ended the year at its low of 124.78 yen, down 7.84 percent, even after the Japanese cut their discount rate on Monday.

This year, like last, two main forces will tug at the dollar.

The sighting of a sure economic recovery should give the dollar some strength, although recovery has yet to materialize. Nor is there any potential spark, like the victory in the Gulf war last year, to set off the rally.

A recovery would mean an end to falling interest rates. And it would attract foreign investment in the stock market and elsewhere to take advantage of the rebound, also giving the dollar a boost.

Of course, to the extent that the economy of Japan strengthens, that would support the yen.

The force working against the dollar is the higher interest rates in other countries. That favors European currencies now and gives a smaller edge to the yen.

Short-term interest rates in Germany are currently 538 basis points, or hundredths of a percentage point, higher than in the United States. In Japan, the differential is 138 basis points.

"The interest-rate argument favors the

See DOLLAR, Page 11

Stock View: Up, but Bumpy

By Jonathan Fuerbringer
New York Times Service

NEW YORK — The professionals who spend their time pondering global stock markets say that on balance they are optimistic about 1992.

But their optimism, bolstered by an end-of-year rally, is tempered by the underlying economic outlook, especially uncertainty about a global recovery.

This makes 1992 harder to call than 1991, despite the threat of war at the beginning of last year. And some analysts predict the returns from bonds will be so good, and so predictable, that they recommend shifting funds into bonds from stocks.

"I think in most cases that the long bond will do better than the stock market in whatever country you are talking about," said Lawrence W. Harris 3d, a director of Lombard Odier International in London.

Richard H. King, manager of Counsellors International Equity Fund in New York, says now is the time for investors to switch from bonds to equities, but he adds a note of caution.

"Because we are coming from a recession, I think that 1992 is going to be a better year," he said. "But it is going to be a bumpy year."

Some analysts predict returns on equities this year of 20 to 25 percent worldwide. That would be better than 1991, when stocks were up 16.53 percent in dollar terms after sharp declines in 1990.

But the 1991 performance was achieved only with a surge in the final week and a record-setting rally in the United States. The Financial Times index for all world markets ended at its high for the year because of the American rally. But many leading markets still finished below their 1991 highs.

The FT index finished the year with a 3.72 percent rise in dollar terms, but much of this gain reflected the slumping dollar. In local currencies, the index was virtually unchanged (up 0.02 percent). In 1990, the index was up by more than 19 percent.

The reasons for optimism in 1992 include expectations of falling interest rates and inflation and relatively attractive values in many stock markets, in part because of projections of higher earnings. But these forecasts all include ifs.

The economic recovery in the United States is in doubt, despite the sharp interest rate cut by the Federal Reserve on Dec. 20. So is the recovery in Britain.

Economies elsewhere are slowing. While short-term interest rates have fallen sharply in the United States, Britain and Japan — which cut its discount rate on Monday — the Bundesbank raised German interest rates another half a percentage point the day before the Fed acted, confirming that rates in Europe will not soon fall.

France, Spain and Italy have all followed with interest-rate increases, and Britain may have to follow, too, despite an approaching election. Earnings estimates are falling rapidly.

The remaking of what was the Soviet Union offers plenty of opportunities for developments that may disturb markets.

This uncertainty is leading some brokerage firms and money managers to hedge or even trim their bets on equities by putting more money into bonds, especially in Europe, where there is the best chance for a bond rally next year.

For Americans there is another possible negative: the dollar. It fell sharply at the end of 1991 and could rally this year if the positive forecasts are right and the U.S. economy rebounds. But a rally would cut into capital gains from abroad when they are translated back into dollars.

Guy Rigden, of UBS/Phillips & Drew in London, has a well-hedged view for 1992. "You have to have a central case of as-

See STOCKS, Page 11

Is Smaller Better in Stocks?

Los Angeles Times Service

With bond and CD yields plunging, a tidal wave of new investors moved into the stock market in 1991. What happens now? Here are some of the trends that may affect stocks this year.

● CAN SMALL STOCKS REPEAT? 1991 was the year of the small-company stock. The Nasdaq composite index of about 4,000 small stocks jumped 56.8 percent for the year, closing Tuesday at 586.34. That was the best annual performance in the 20-year history of the index, and it far outran the 20.3 percent rise of the Dow Jones industrials.

Small-company stocks roared to life for two key reasons: They had been badly beaten up in the 1990 bear market (the Nasdaq index lost 17.8 percent in that year), and history has shown that small-company profits typically rebound sharply when the economy emerges from recession.

What about 1992? Wall Street is still waiting for the profit rebound, but there is one encouraging sign: Prudential Securities' analysis of 988 small companies shows that their total profits fell just 3.8 percent in the third quarter ended Sept. 30, compared to the same period of 1990.

In contrast, profits of the big-company Standard & Poor's 500 stocks dropped 28 percent in that period. So small companies did a better job of stemming the slide. That could also mean that those companies will be in far better shape to score big profit gains this year if the economy turns around.

● ARE INSIDERS FLASHING 'BUY'?: Corporate insiders — officers and directors — often exhibit a fine ability to discern when their companies' stocks are bargains. They proved that again in December. The Insiders newsletter of Fort Lauderdale, Florida, says 59 percent of all insider transactions during the past 30 days have been purchases, while 41 percent were sales. That is a sharp reversal from most of summer and fall, when insiders were much heavier sellers. From mid-September to mid-October, purchases accounted for just 36 percent of insider transactions.

Even so, the insiders' new bullishness is nowhere near the levels of autumn 1990, when the Dow average bottomed at 2,365. At that point, purchases accounted for a stunning 90 percent of all insider transactions. In comparison, the December reading of 59 percent purchases does not stack up — and with stocks again at record highs, it is probably too late to follow the insiders into the market now, warns Norman Fosback, editor of The Insiders.

● THE ELECTION YEAR THEORY: The stock market has shown an amazing propensity to rise in presidential election years, no matter which party occupies the White House. The theory has been that sitting presidents will do what is necessary to stimulate the economy (and thus corporate profits) in election years to get themselves reelected. Or the market may become enticed by the promises of the challenger.

The Standard & Poor's 500 index has risen in nine of the 11 presidential election years since World War II. The exceptions: In 1948, when Harry S. Truman was challenged by Thomas Dewey, the S&P slipped 0.7 percent; and in 1960, when John F. Kennedy and Richard M. Nixon vied to succeed retiring Dwight D. Eisenhower, the S&P lost 3 percent.

What about 1992? There is no question that George Bush wants to boost the economy. But given that this recession is far different from any since the Great Depression — because the problem is too much debt, not high interest rates — some experts question how much the economy will respond to traditional Washington stimuli.

A Hot Tip: Market Plays Are Still Better Than Cash

Los Angeles Times Service

In 1992, investors will have to lower their sights and accept lesser returns from both stocks and bonds than the double-digit results of last year, most Wall Street analysts say.

With stocks in particular, "don't expect the kinds of returns that you had in 1991," warned Bob Chesek, money manager at the Phoenix Group of mutual funds in Hartford, Connecticut.

At best, money managers see a stock-market return in 1992 that is much closer to historical averages: 7 percent to 10 percent. Still, many analysts see an excellent chance that stocks and bonds will continue to beat money-market instruments, gold and other investments.

Here's a look at key investment sectors for 1992:

● STOCKS: The problem may be that stocks have simply run up too far, too fast, with the average Standard & Poor's 500 stock priced at 16 times the earnings estimated by Wall Street analysts for 1992. That does not mean stocks cannot rise further. But they are vulnerable if a recovery does not arrive, and corporate profits do not rebound after falling for more than two years.

● BONDS: Bond investors have a good shot at continuing their winning streak in 1992, analysts say. Besides interest earnings of 6 percent to 9 percent on most bonds in 1991, investors earned a bonus: Their bonds appreciated in value as market interest rates fell. For 1992, many bond analysts see somewhat lower total returns. The interest advantage remains, but the sharp appreciation in bond values is probably over.

● CASH: Investors who kept money in bank certificates of deposit or money market funds last year beat inflation. Barely. And the total return on cash investments for 1992 is likely to be dismal again, as the Federal Reserve is expected to keep short-term rates low for most of the year. In 1991, the average money market mutual fund yielded 5.7 percent. In 1992, prospects are not much better.

● GOLD: After falling 10.2 percent in 1991 to $354.10 an ounce, gold does not look like much of a bet as an inflation hedge in 1992. That is because inflation typically declines in the first year of an economic recovery, as companies hold back prices to encourage sales. The traditional flight to gold in times of world turmoil also has waned.

American Industry Declined In Month

But Dow Average Pushes Its Rally A Little Farther

By Lawrence Malkin
International Herald Tribune

NEW YORK — American manufacturing declined in December to its weakest since the spring, at a level that indicated the overall economy was contracting, a national group of purchasing managers reported Thursday.

The reading of 46.5 percent on the National Association of Purchasing Management's index represented the first time the index had fallen below the key 50 percent level since May, when it was at 45.4 percent. It was also the third straight decline in the monthly index, which had stood at 50.1 percent in November.

Bond-market analysts see yields falling in 1992. Page 12.

Anything below 50 percent shows manufacturing is shrinking. A reading below 44.5 percent would indicate an overall economic recession.

The Dow Jones industrial average rose a little to yet another record high, after having been down for most of the year's first trading day. Wall Street swayed back and forth as some investors, against the background of the gloomy economic news, took their profits from December's market rally while others took advantage of the buying opportunities thus created.

The Dow dropped 25 points during the morning, then regained about a dozen points by noon. Most traders expect an economic revival during the year aided by the Federal Reserve's low interest rates, and that put a floor under the Dow. The blue-chip barometer seesawed in the afternoon and shot up just at the close to end at 3,172.41, up 3.58 points on the day. The broader market, however, was a little lower, with declining stocks beating out advancing ones by a 5-to-4 margin.

New York Stock Exchange volume amounted to about 203.6 million shares, compared with 247.7 million on Tuesday.

Commenting on the purchasing managers' survey, Robert J. Bretz, chairman of the survey committee, said: "Three straight months of lower growth rates for new orders ended in a decline in December and pulled all of the other indica-

See DOW, Page 10

Bonn Official Opposes Cap On Wages

Reuters

FRANKFURT — The German minister in charge of the public service, Rudolf Seiters, on Thursday rejected proposals by the economics minister, Jürgen Möllemann, that 1992 pay raises for civil servants be capped at 5 percent.

Mr. Möllemann wrote in Thursday's Handelsblatt newspaper that a legislative cap should be imposed as a signal to workers in public services, and in industry too, that they should accept lower pay raises in the interest of reining in inflation.

Unions representing public-services workers are seeking a 9.5 percent raise in 1992 pay talks.

Mr. Seiters, who as interior minister is in charge of the public services, said he did not plan to adopt the idea and said Mr. Möllemann's "public deliberations are neither appropriate nor helpful."

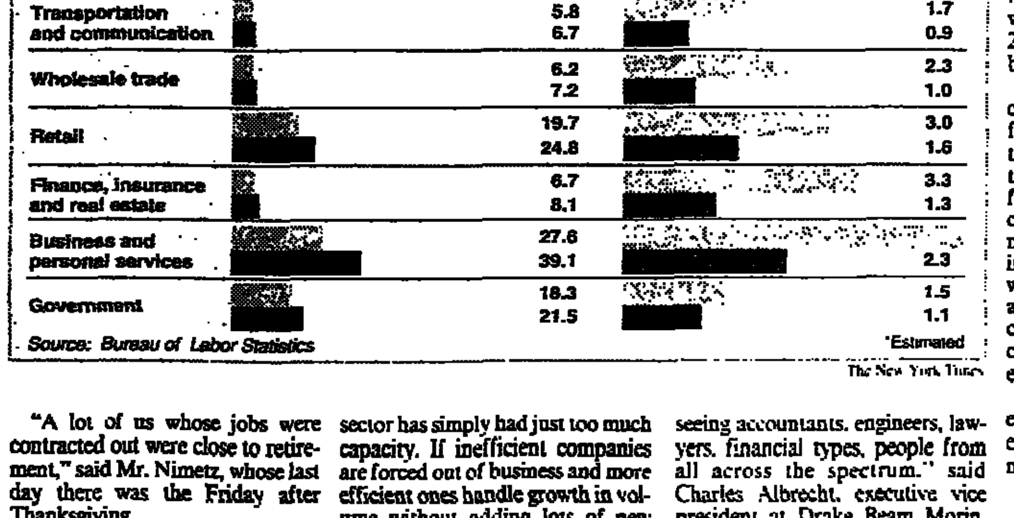
Mr. Möllemann, responding to the criticism, said in a radio interview that high wage increases could plunge Germany deeper into an economic slowdown. And he added: "I would prefer that those who criticize me would make the effort to suggest alternative proposals."

His plan was also criticized by the public service union and by the association of civil servants as an infringement on collective bargaining.

Industrial pay raises in 1991 averaged 7 percent. The Bundesbank has warned repeatedly that pay rises must be lower in 1992.

Services Without Smiles as U.S. Jobs Disappear

By Sylvia Nasar
New York Times Service



The New York Times

NEW YORK — For decades, banks, fast-food restaurants, hospitals, law firms, retail chains and governments — the so-called services sector — have been the engine that powered American employment.

In the 1980s, when services added a stunning 20 million jobs and employed almost four out of five workers, Americans debated whether service jobs were good jobs or bad, but basically took the steady growth of the sector for granted.

No more. Except for health care, the services are in the throes of a shake-up much like the one that racked manufacturing a decade ago.

The drive to squeeze costs and improve profits has resulted in cost-cutting, job freezes, layoffs, consolidations and takeovers. The storm threatens to outlast the recession — prolonged, very likely, by the wave of white-collar layoffs and an unusual reluctance among services companies to hire.

Many economists predict the great American job machine, even after it gets going again, will run at half speed for much of the 1990s.

The consequences are likely to be felt by many, if not most, Americans for a long time, labor specialists said. They predicted job growth in the 1990s would be the slowest since the 1950s. Pay, including benefits, is expected to rise more sluggishly. Unemployment, now 6.8 percent, is expected to hover above 6 percent for years.

And job security — the comfortable expectation of being able to settle down somewhere for life by middle age — may be gone for good.

"If you got a job here it was probably one of the highest paid in the valley, it was secure and you could stay until you retired," said Robert M. Nimetz, a 50-year-old former draftsman at the Tennessee Valley Authority, the federal utility that has slashed staff to try to do more with less.

"A lot of us whose jobs were contracted out were close to retirement," said Mr. Nimetz, whose last day there was the Friday after Thanksgiving.

Yet economists said that what is a traumatic episode for individuals may prove to be the painful but necessary cure for the United States's top economic problems: woeful productivity growth and stagnating living standards.

Those problems, many economists agreed, are firmly rooted in the services sector, not in manufacturing, where productivity has been growing faster in recent years than in the 1960s. By contrast, output per hour in services has barely improved in two decades.

Economists blamed the slump in services productivity on an influx of inexperienced workers in the 1970s and 1980s. They added that services companies failed to use computers effectively.

As well, they said, the services sector has simply had just too much capacity. If inefficient companies are forced out of business and more efficient ones handle growth in volume without adding lots of new jobs, productivity could pick up.

If restructuring does manage to kick the growth of efficiency in services back into gear, the way it did in manufacturing, real wages after inflation could eventually rise faster in the second half of the 1990s than they have since the late 1960s, economists said.

If it does not — and, after all, many corporate turnaround attempts fail — real per capita incomes would grow even more slowly than in the 1980s.

For now, what is clear is that the services are struggling to adapt to an unforgiving economic environment of slow growth and low inflation. It is a rough process, built on cost-cutting and consolidations and studded with layoffs and bankruptcies.

"Unlike the early 1980s, we're seeing accountants, engineers, lawyers, financial types, people from all across the spectrum," said Charles Albrecht, executive vice president at Drake Beam Morin, describing some of the unemployed people passing through the largest U.S. outplacement firm.

Although services-company sales have recovered a bit since last spring, hiring has not. And while services payrolls swelled 4.4 percent in the first 12 months of the early 1980s recovery, they have barely budged since April. Many industries are, in fact, still trimming. Retailers, for example, are now in their 22nd month of job cuts.

What is behind the belt-tightening? Four basic forces, according to economists and executives:

Overexpansion. In the 1980s, services added 20 million jobs, $800 billion worth of technology, 16,000 shopping malls and nearly doubled office space, to 3 billion square feet (270 million square meters). For Wall Street, retailers, fast-food restaurants and financial services, that added up to too much capacity, much of it in the wrong places.

"Large banks went into every town they wanted to be in," said James J. Preble who recently retired as vice chairman of the Fleet/Norstar Financial Group. "We wound up with a branch for every 2,500 customers. The norm is one branch for every 7,500 customers."

Runaway costs. Wages and other costs in services, which grew no faster than manufacturing costs in the 1960s and 1970s, shot higher in the 1980s. But services companies found they could not absorb these costs through higher productivity, nor could they recoup them by raising prices. "Services companies were unprepared for the arrival of an environment in which costs could not easily be passed along to consumers," said a commentary by economists at J.P. Morgan & Co.

New technology. From computers to specialized shipping containers, innovation has created opportunities to increase sales without

See SERVICES, Page 11

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MARKET DIARY

Profit-Taking on Mark Provides Lift for Dollar

Reuters

NEW YORK — The dollar rebounded a pfennig and a half against the Deutsche mark on Tuesday in its best performance since the Federal Reserve cut U.S. interest rates Dec. 20.

Traders noted that market conditions were thin on the first trading day of 1992 and said it would

Foreign Exchange

probably take until early next week to get a clearer indication of the dollar's near-term direction.

The dollar rose in New York to close at 1.5302 DM and 124.38 yen, after closing Tuesday at 1.5175 DM and 124.85 yen. The dollar touched 123.73 yen in early trading, a fraction below the previous low of 123.75 on Oct. 19, 1990.

The dollar was at its lowest level against the yen since late 1988, when it traded around 121 yen.

The dollar rose against the Swiss franc, to 1.3660 from 1.3590 Tuesday, and against the French franc, to 5.2250 from 5.1840. But the pound gained a little, to $1.8665 from $1.8675.

Traders said part of the dollar rebound was due to profit-taking on other currencies, notably the mark.

"On Monday, you will have a lot more participants and a clearer picture of the direction," said Albert Soria of Kansallis-Osake-Pankki Bank. But he added, "Short dollar positions are extremely difficult to justify at the present time." Among the risks, he said, are conflict in the former Soviet Union, which could weaken the mark.

"It's not a strengthening of the dollar per se," said Elgar Roesler-Schmidt of Foreign Exchange Trading Corp. in San Francisco. "It's an unwinding of positions that we have seen in the last six weeks where people aggressively bought the mark against the yen."

The mark fell to 81.28 yen from 81.71 at the opening.

The yen's strength reflected a belief Japan would try to rein in a trade surplus by boosting its currency.

In late London trading, the U.S. currency stood at 1.5230 DM, above its opening level of 1.5218 DM, and at 124.35 yen, above a 124.25 start. The dollar was slightly higher against the French franc, at 5.1990 francs after an opening 5.1945, but lower against the Swiss franc, at 1.3595 francs after 1.3608. The pound eased to $1.8710 from $1.8715.

DOW: *Blue-Chip Rally Pushes On*

(Continued from first finance page)

tors down with it. As a result, the manufacturing sector could no longer sustain growth, and the year ended with a decline.

"Cautious manufacturers seem ready to wait for an increase in new orders before expanding production, a scenario which suggests a continuation of the economic malaise into the first quarter of 1992," he said.

The survey, of purchasing executives of more than 300 industrial

N.Y. Stocks

companies, reported that production declined slightly in December, employment fell for the 35th consecutive month and inventories contracted for the 37th consecutive month. It also reported that export orders, which are one of the few sources of strength in the U.S. economy, grew at the slowest rate since the Gulf war was being fought last February.

Looking back on the entire year, the survey index averaged 47.2 percent, which on past performance points to inflation-adjusted domestic growth during 1991 of 1 percent.

The Commerce Department, meanwhile, reported an 0.8 percent decline in construction spending during November after four monthly increases. The decline took place primarily in the overbuilt office and commercial sector.

The Labor Department reported a decline of 29,000 people applying for unemployment insurance during the week of Dec. 21 to a seasonally adjusted level of 438,000. The number was slightly skewed by the start of the holiday season. Financial markets also noted a rise in the number of people receiving benefits during the week ending Dec. 14, the latest available, and took this as negative news.

The stock market was largely engaged in corrections after the December explosion. Also pulling it down was the bond market, which showed signs of having overextended itself on last month's interest-rate euphoria. The 30-year Treasury bond fell nearly a full point to yield 7.46 percent, a jump from the 7.40 percent yield on the last trading day before the new year.

The market conditions of the new year were not unexpected. Bradley Turner, head of the investment policy committee at McDonald & Co., said, "This pullback really doesn't come as a surprise. Given the very strong run since Dec. 20, the market is due for a little respite."

Toys 'R' Us paced the Big Board actives, rising 1⅞ to 34⅝ after reporting its sales over the eight-week period including Christmas had risen 7.9 percent.

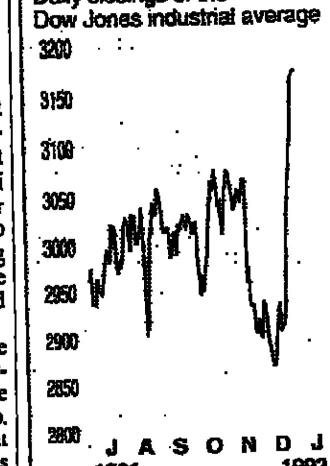
Among blue chips, General Motors climbed 2⅛ to 31, IBM rose 1½ to 90½, Eastman Kodak gained 1 to 49¼ and General Electric edged up ¼ to 76¾.

Amgen led the OTC actives, falling 1¼ to 74½.

Via Associated Press Jan. 2

The Dow

Daily closings of the Dow Jones industrial average



IHT

NYSE Most Actives

	Vol.	High	Low	Last	Chg.
ToyRU	31383	36	34	34¾	+2
PhilMr	24096	79¾	78⅝	79½	— ⅜
AT&T	22513	39¼	38⅝	39¼	+ ⅛
GnMotr	21091	30⅞	28⅞	30¾	+1⅞
EKodak	20943	49⅝	48½	49	+ ¾
RJR Nb n	20920	10⅝	10½	10⅝	— ⅛
Compq	20549	29⅞	26⅞	29⅝	+3¼
PepsiC	19628	33⅞	32½	33⅞	
WalMt	19619	58⅝	57½	58⅜	
GenEl	19593	76⅝	75⅝	76⅛	— ¼
Glaxo s	19201	32⅛	31½	31⅞	+ ⅛
FordM	18056	30½	27¾	29⅝	+1
Citicorp	17655	10⅞	10⅜	10⅞	+ ½
IBM	17253	90⅝	88⅞	90½	+1¼
Unilel	15582	23⅞	22¼	23⅜	— ⅛

AMEX Most Actives

	Vol.	High	Low	Last	Chg.
InstSv	4653	6⅝	5⅜	6⅜	+ ⅞
IGI	4593	17½	15½	16⅞	+2
SPI Ph	4316	36⅞	31⅜	36¾	+5½
IvaxCp s	3632	38⅝	37¼	38½	— ⅛
EchoBy	3382	7½	7⅛	7½	
GrhmFI	3367	12½	11¼	11⅜	— ¾
A-ge sc	3357	8	7⅜	7¾	— ⅛
BolrPh	3023	13⅞	12¼	12¾	— ¾
A-mo sc	2374	51¾	50¼	51¼	— ⅝
ENSCO	2350	1½	1⅜	1½	+ ⅛
A-aff2	2280	29⅞	29⅜	29⅝	— ⅛
PallCp s	2253	28	26⅝	28	+ ⅞
WangB	1980	2⅞	2½	2¾	— ⅛
Alza s	1966	48⅞	47⅞	48½	— ⅝
AMed	1847	9¾	9⅛	9⅛	— ⅝

NYSE Diary

	Close	Prev.
Advanced	871	1247
Declined	926	612
Unchanged	401	386
Total Issues	2198	2245
New Highs	114	336
New Lows	3	13

Amex Diary

	Close	Prev.
Advanced	329	471
Declined	280	216
Unchanged	242	253
Total Issues	851	940
New Highs	31	81
New Lows	5	15

NASDAQ Diary

	Close	Prev.
Advanced	1,070	1,502
Declined	1,160	821
Unchanged	1,955	1,863
Total Issues	4,185	4,186

Dow Jones Averages

	Open	High	Low	Last	Chg.
Indus	3152.06	3184.70	3119.86	3172.41	+ 3.58
Trans	1347.16	1354.82	1323.24	1342.12	— 15.88
Util	225.09	225.90	222.46	224.46	— 1.69
Comp	1149.89	1159.12	1135.39	1152.38	— 4.44

Standard & Poor's Indexes

	High	Low	Close	Ch'ge
Industrials	493.27	485.59	493.26	+ 0.54
Transp.	341.46	332.05	335.69	— 5.77
Utilities	155.21	153.68	155.21	+ 0.05
Finance	34.10	33.49	34.04	— 0.06
SP 500	417.27	411.04	417.26	+ 0.17
SP 100	387.05	381.46	387.00	+ 1.44

NYSE Indexes

	High	Low	Close	Ch'ge
Composite	229.17	226.58	229.17	— 0.27
Industrials	285.73	282.24	285.73	— 0.09
Transp.	198.72	197.02	198.50	— 2.37
Utilities	102.02	101.27	102.02	— 0.11
Finance	172.04	170.16	172.04	— 0.64

NASDAQ Indexes

	High	Low	Close	Ch'ge
Composite	586.50	576.04	586.45	+ 0.11
Industrial	669.81	655.07	669.81	+ 0.86
Finance	560.24	555.14	558.38	— 3.41
Insurance	600.18	592.36	599.38	— 1.71
Utilities	629.66	619.20	629.66	+ 0.13
Banks	352.89	348.64	352.81	+ 2.25
Transp.	571.20	562.58	569.94	— 1.45

AMEX Stock Index

High	Low	Close	Ch'ge
395.52	391.31	395.51	+ 0.46

Dow Jones Bond Averages

	Close	Ch'ge
20 Bonds	98.96	+ 0.03
10 Utilities	100.67	— 0.04
10 Industrials	97.26	+ 0.11

Market Sales

NYSE 4 p.m. volume	203,600,000
NYSE prev. cons. close	310,527,940
Amex 4 p.m. volume	18,155,450
Amex prev. cons. close	37,625,000
NASDAQ 4 p.m. volume	181,381,500
NASDAQ prev. 4 p.m. volume	257,464,000

N.Y.S.E. Odd-Lot Trading

	Buy	Sales	Short*
Dec. 31	1,397,948	1,557,465	127,457
Dec. 30	1,219,858	1,190,578	60,163
Dec. 27	673,201	764,423	70,523
Dec. 26	524,063	647,416	78,765
Dec. 24	549,310	794,382	99,577

*Included in the sales figures.

S&P 100 Index Options

Jan. 2

Strike Price	Calls-Last Jan	Feb	Mar	Apr	Puts-Last Jan	Feb	Mar	Apr
330	—	—	54¼	—	⅛	⅛	1½	—
335	49⅜	—	—	—	⅛	⅜	1⅝	—
340	—	—	—	—	⅛	1⅛	2	3
345	39⅜	—	—	—	⅛	1⅛	2½	—
350	33¾	36	—	—	⅛	1½	2⅝	4⅛
355	34	30½	—	—	⅛	1⅞	3½	—
360	29½	31	28⅝	—	½	2¼	4½	6
365	24⅛	22	—	—	⅛	3⅛	5½	—
370	19½	18½	20⅝	—	1⅛	3⅞	6	8
375	15⅛	17¾	17½	—	1⅝	4¼	7½	—
380	11	14½	15	17¼	2⅛	6⅛	9	10
385	7¼	10	11½	—	3⅞	7⅞	11	—
390	4½	8¼	9¼	10½	6½	12	15	16¼
395	2⅝	5⅞	6½	—	13¼	—	—	—
400	1½	3¾	5	6½	16⅛	18	—	23¼
405	⅝	2⅝	3¾	—	22⅞	—	—	—

Calls: total vol. 188,872 ; total open int. 314,779
Puts: total vol. 132,847 ; total open int. 411,306

	Dec 92	Dec 93	Dec 92	Dec 93
27½	—	—	⅛	—
30	—	9⅝	⅞	⅞
32½	6⅞	—	⅝	1⅜
35	4⅝	—	1⅛	1⅝
37½	3⅛	—	2⅛	2⅞
40	1⅝	—	2¾	4

Calls: total vol. 990 ; total open int. 31,756
Puts: total vol. 1,548 ; total open int. 108,458
Source: CBOE.

EUROPEAN FUTURES

Food

	Close		High	Low	Prev. Close	
SUGAR (FOX) U.S. Dollars per metric ton-lots of 50 tons						
Mar	188.00	189.40	198.00	188.20	195.20	196.00
May	184.00	185.80	194.00	185.00	192.40	194.00
Aug	187.00	189.80	195.00	189.00	193.40	198.00
Oct	184.00	194.00	194.80	189.00	191.60	198.00
Dec	181.00	195.00	189.00	189.00	185.60	196.00
Mar	176.00	200.00	N.T.	N.T.	180.60	201.00
Est. Sales 231.						
COCOA (FOX) Sterling per metric ton-lots of 10 tons						
Mar	732	733	742	723	N.T.	N.T.
May	758	759	763	749	744	745
Jul	782	783	787	775	766	767
Sep	805	807	810	799	793	794
Dec	837	840	842	831	816	817
Mar	867	868	869	861	848	850
May	881	885	880	880	875	877
Jul	897	902	898	895	890	893
Sep	914	916	915	910	908	910
Dec	930	940	936	936	920	921
Est. Sales 9,815.						
COFFEE (FOX) Sterling per metric ton-lots of 5 tons						
Jan	511	513	526	507	532	533
Mar	514	515	531	508	534	535
Est. Sales 4,604.						

	High	Low	Close		Ch'ge
WHITE SUGAR (Matif) Dollars per metric ton-lots of 50 tons					
Mar	279.80	276.00	279.00	279.50	— 0.30
May	N.T.	N.T.	279.00	281.00	— 1.00
Aug	N.T.	N.T.	283.00	285.00	+ 4.20
Oct	263.00	262.50	262.00	264.00	Unch.
Dec	N.T.	N.T.	261.00	264.00	Unch.
Mar	N.T.	N.T.	262.00	265.00	Unch.

Est. sales 228. Prev. sales 830.
Open interest 13,385.

Metals

	Close Bid	Ask	Previous Bid	Ask
ALUMINUM (High Grade) Dollars per metric ton				
Spot	1119.00	1120.00	1126.00	1127.00
Forward	1142.00	1143.00	1150.00	1151.00
COPPER CATHODES (High Grade) Sterling per metric ton				
Spot	1146.50	1147.50	1158.50	1159.50
Forward	1176.50	1177.00	1188.00	1189.00
LEAD Sterling per metric ton				
Spot	289.00	289.50	289.00	291.00
Forward	300.00	300.25	300.00	302.00
NICKEL Dollars per metric ton				
Spot	7170.00	7180.00	7170.00	7180.00
Forward	7220.00	7225.00	7210.00	7220.00
TIN Dollars per metric ton				
Spot	5595.00	5605.00	5550.00	5560.00
Forward	5645.00	5650.00	5600.00	5610.00
ZINC (Special High Grade) Dollars per metric ton				
Spot	1170.00	1172.00	1168.00	1170.00
Forward	1122.00	1123.00	1114.00	1116.00

Financial

	High	Low	Close	Change
3-MONTH STERLING (LIFFE) £500,000 - pts of 100 pct				
Mar	89.39	89.24	89.34	+ 0.14
Jun	89.69	89.53	89.66	+ 0.19
Sep	90.01	89.87	89.99	+ 0.17
Dec	90.18	90.06	90.15	+ 0.13
Mar	90.24	90.13	90.19	+ 0.10
Jun	90.24	90.15	90.20	+ 0.10
Sep	90.19	90.17	90.19	+ 0.07
Dec	90.19	90.15	90.19	+ 0.08
Mar	N.T.	N.T.	90.17	+ 0.06
Est. volume: 41,922. Open interest: 149,365.				
3-MONTH EURODOLLARS (LIFFE) $1 million - pts of 100 pct				
Mar	95.99	95.96	95.96	Unch.
Jun	95.90	95.87	95.87	+ 0.01
Sep	95.70	95.66	95.69	+ 0.05
Dec	95.21	95.20	95.21	+ 0.05
Mar	94.95	94.95	94.95	+ 0.06
Jun	94.53	94.49	94.53	+ 0.09
Sep	N.T.	N.T.	94.07	+ 0.07
Dec	N.T.	N.T.	93.55	+ 0.07
Est. volume: 3,628. Open interest: 32,506.				
3-MONTH EUROMARKS (LIFFE) DM1 million - pts of 100 pct				
Mar	90.60	90.53	90.57	+ 0.01
Jun	90.90	90.86	90.89	+ 0.01
Sep	91.23	91.18	91.21	+ 0.01
Dec	91.40	91.36	91.38	Unch.
Mar	91.63	91.59	91.59	— 0.01
Jun	91.72	91.68	91.68	— 0.01
Sep	91.77	91.77	91.77	— 0.01
Dec	91.80	91.80	91.80	— 0.07
Est. volume: 14,189. Open interest: 166,094.				

	High	Low	Close	Change
LONG GILT (LIFFE) £50,000 - pts & 32nds of 100 pct				
Mar	97-00	95-20	96-24	+ 1-08
Jun	96-19	96-19	96-30	+ 1-12
Est. volume: 31,458. Open interest: 47,589.				
GERMAN GOVERNMENT BUND (LIFFE) DM 250,000 - pts of 100 pct				
Mar	87.73	87.51	87.62	— 0.22
Jun	88.28	88.05	88.02	— 0.24
Est. volume: 56,494. Open interest: 93,821.				

Industrials

	High	Low	Last	Settle	Ch'ge
GASOIL (IPE) U.S. dollars per metric ton-lots of 100 tons					
Jan	164.00	159.75	163.75	163.50	+ 3.50
Feb	165.00	161.50	165.00	164.50	+ 3.00
Mar	164.25	161.00	164.00	163.75	+ 4.25
Apr	163.25	160.50	162.75	162.75	+ 5.00
May	163.00	160.00	162.50	162.50	+ 5.00
Jun	164.25	162.00	164.00	164.00	+ 3.00
Jul	166.00	164.25	165.75	166.00	+ 2.25
Aug	168.00	167.75	167.75	168.50	+ 2.25
Sep	170.25	169.75	170.00	170.50	+ 2.25
Est. Sales 14,315. Prev. sales 6,043. Open interest 57,062					
BRENT CRUDE OIL (IPE) U.S. dollars per barrel-lots of 1,000 barrels					
Feb	18.39	17.93	18.35	18.36	+ 0.75
Mar	18.27	17.85	18.27	18.26	+ 0.74
Apr	18.18	17.85	18.15	18.15	+ 0.60
May	18.08	17.79	18.06	18.06	+ 0.76
Jun	18.05	17.75	18.05	18.02	+ 0.72
Jul	18.00	18.00	18.00	18.00	+ 0.61
Aug	N.T.	N.T.	N.T.	18.05	+ 0.72
Sep	N.T.	N.T.	N.T.	18.05	+ 0.70
Oct	17.79	17.79	17.79	18.05	+ 0.70
Est. Sales 21,523. Prev. sales 3,503. Open interest 64,707					

Stock Indexes

	High	Low	Close	Change
FTSE 100 (LIFFE) £25 per index point				
Mar	2589.0	2535.0	2548.0	— 7.0
Jun	N.T.	N.T.	2579.5	— 5.5
Est. volume: 7,830. Open interest: 32,230.				

Sources: Reuters, Matif, Associated Press, London Int'l Financial Futures Exchange, Int'l Petroleum Exchange.

Spot Commodities

Commodity	Today	Prev.
Aluminum, lb	0.598	0.511
Coffee, Braz., lb	0.57	0.57
Copper electrolytic, lb	1.097	1.0995
Iron FOB, ton	213.00	213.00
Lead, lb	0.35	0.35
Silver, troy oz	3.935	3.865
Steel (billets), ton	473.00	473.00
Steel (scrap), ton	95.00	95.00
Tin, lb	3.7297	3.5739
Zinc, lb	0.575	0.57

Dividends

Company	Per	Amt	Pay	Rec
STOCK SPLIT				
First Home Svgs Bk — 4-for-3				
USUAL				
First Comm Bncp	Q	.08	1-21	1-10
First Comm Bncp	Q	.08	4-10	3-16
First Comm Bncp	Q	.08	7-10	6-15
First Comm Bncp	Q	.08	10-9	9-14
First Home Svgs Bk	Q	.10	1-31	1-16
Kemper Inter Gvt	M	.06¼	1-31	1-15
Kemper Multi-Mkt	M	.09	1-31	1-15
Kemper MuniIncTr	M	.07¼	1-31	1-15
Kemper Strat Muni	M	.07½	1-31	1-15
Pilgrim Magna Cap	-	.08	1-21	12-31
RAC Income Fd	M	.10½	1-31	1-15

a-annual; m-monthly; q-quarterly; s-semi-annual

Source: UPI.

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U.S./AT THE CLOSE

Zale Creditors Force Bankruptcy

DALLAS (Combined Dispatches) — Zale Corp., forced into involuntary bankruptcy after announcing plans to halt interest payments on its debt, appealed Thursday to creditors to reach a settlement.

"An out-of-court agreement is in everyone's best interest because it maximizes the value of the franchise and produces the speediest and most cost-effective results," the jewelry retailing company said.

Creditors led by David Glatstein, president of the investment firm Barre & Co. and chairman of a committee of Zale's bondholders, filed for Chapter 11 bankruptcy protection on Wednesday. Mr. Glatstein said the company's reorganization plan was "silly."

Zale, burdened by debts of $950 million, announced plans on Tuesday to close 400 of its 2,000 stores and not pay a $52 million bond interest payment due Thursday. *(UPI, Reuters)*

Report Criticizes Sale of S&L Assets

WASHINGTON (AP) — The government may have to wait 12 years to determine whether contracting for the bulk sale of real estate owned by failed savings and loans was a good deal, a House report said Thursday.

The report criticized a pilot arrangement under which the Resolution Trust Corp. agreed to finance the purchase of up to $500 million worth of real estate by the Patriot American investor group.

Five months after it was announced, the report said not a single piece of property has been sold under the deal. The report also questioned the RTC's decision to take several pieces of property off the market in order to sell them to Patriot as part of a package.

United Tel Buys GTE's Sprint Stake

KANSAS CITY, Missouri (Combined Dispatches) — United Telecommunications Inc. said Thursday it had agreed to buy GTE Corp.'s remaining 19.9 percent interest in US Sprint Communications Co. for $530 million, giving it 100 percent control.

United Telecom said the transaction should be completed by Jan. 31. It said it would pay $250 million on closing, with the rest to be paid on July 1, and would fund the transaction with debt. *(AFX, UPI, AP)*

Chemical Jumps as Merger Is Done

NEW YORK (Combined Dispatches) — Stock in Chemical Banking Corp. surged on Thursday and analysts made positive comments on the stock as Chemical completed its merger with Manufacturers Hanover Corp.

Chemical shares rose $2.125 to $23.375.

James Hanbury of Wertheim Schroder said he repeated a buy rating on Chemical. And traders said Merrill Lynch said Chemical should trade at or above book value, which it put at $40 a share. *(Reuters, Bloomberg)*

Chrysler to Sell Dual-Fuel Vehicles

LOS ANGELES (Reuters) — Chrysler Corp. said Thursday it would begin commercial production this summer of flexible-fuel vehicles that can run on either gasoline or methanol, which causes less pollution.

Chrysler will deliver a fleet of 100 flexible-fuel Dodge Spirits and Plymouth Acclaims for government service in California and Washington, said François Castaing, vice president of vehicle engineering. He said it would later introduce 2,000 vehicles for sale in California.

For the Record

ConAgra Inc. said it had acquired Arrow Industries Inc. for 5.25 million shares of stock, or 2.3 percent of its outstanding stock after the deal. ConAgra stock slipped 50 cents to $35. *(Reuters)*

Owens Illinois Inc.'s senior debt rating was restored to investment grade, rising to triple-B-minus from double-B-plus, by Duff & Phelps Credit Rating Co. The upgrade followed a recent common stock offering and a senior debt issue by the company, which was taken private in a $3.66 billion leveraged buyout in 1987. *(UPI)*

Corning Inc. said it completed a joint-venture consumer-housewares company with Mexico's Vitro SA. Corning said it received a payment of more than $130 million from Vitro and expected to report a "modest gain" from the transaction in the first quarter. *(Bloomberg)*

U.S. Drawdown Spurs Oil Prices

Reuters

LONDON — Oil prices rallied in Europe on Thursday in a delayed reaction to news of a fall in U.S. inventories, traders said.

Bad weather in the North Sea and Mediterranean, which hindered some crude-oil loading operations, was also cited as a factor giving temporary support to the market, they said.

North Sea Brent futures for February were up 69 cents a barrel, at $18.30, in London. Most of the day's rises represented a catch-up to New York's 50-cent gains on Wednesday, when London's International Petroleum Exchange was closed. On Thursday, the New York price rose 37 cents, to $19.49.

A big, 10.3-million-barrel drawdown of U.S. crude-oil stocks in the last week of 1991 spurred a round of buying on futures markets, traders said, following declines during Christmas week.

U.S. FUTURES

Via Associated Press Jan. 2

Grains

Season High	Season Low		Open	High	Low	Close	Chg.
WHEAT (CBT) 5,000 bu minimum- dollars per bushel							
		Mar	4.06½	4.09¼	3.99½	4.00¾	—.04
4.06	2.79	May	3.82	3.86¼	3.77½	3.78	—.03
3.81½	2.80½	Jul	3.43½	3.49	3.40	3.40½	—.02¼
3.44½	2.79	Sep	3.48	3.52	3.42	3.42	—.05
3.47½	2.92	Dec	3.54	3.58½	3.52	3.52½	—.00¼
3.55½	3.29½	Mar				3.57¼	+.00½
3.58	3.17						
Est. Sales		Prev. Sales 8,098					
Prev. Day Open Int. 52,531 up 924							
WHEAT (KCBT) 5,000 bu minimum- dollars per bushel							
		Mar	4.03	4.06½	3.99½	4.00½	— .02¼
		May	3.76½	3.82	3.75	3.75½	— .01½
		Jul	3.44½	3.50	3.44½	3.45¾	+ .01
		Sep	3.49½	3.49½	3.48½	3.48½	+ .00½
Est.Sales		Prv.Sales 4,712		Prev.Day Open Int 34,910			Chg. +1,125
CORN (CBT) 5,000 bu minimum- dollars per bushel							
2.77¼	2.28½	Mar	2.51¼	2.52	2.50¼	2.50½	—.01
2.79½	2.34¾	May	2.56¾	2.58	2.56	2.56¾	—.00¾
2.82	2.39½	Jul	2.61	2.63¼	2.61	2.61¼	—.00¾
2.65	2.36½	Sep	2.59¼	2.61¾	2.59	2.59¼	—.00¾
2.60¾	2.36½	Dec	2.57	2.59¼	2.56	2.57¾	+.00½
2.67½	2.58¾	Mar	2.63¾	2.65½	2.63¼	2.64	
2.69	2.68	May				2.68	+.00½
Est. Sales		Prev. Sales 18,433					
Prev. Day Open Int.224,544 off 1,058							
SOYBEANS (CBT) 5,000 bu minimum- dollars per bushel							
6.59	5.27½	Jan	5.53½	5.56	5.49	5.49½	—.05¾
6.66	5.38	Mar	5.55½	5.58	5.50	5.50¼	—.06¾
6.68	5.47	May	5.62	5.64¼	5.56	5.56¼	—.07
6.68	5.62½	Jul	5.72½	5.72¾	5.64	5.64¾	—.08
6.60	5.69	Aug	5.73½	5.76	5.68½	5.68½	—.07½
6.28	5.57	Sep	5.76	5.78½	5.72	5.71	—.09
6.20¾	5.52	Nov	5.82½	5.83	5.74	5.74½	—.08
6.01	5.58	Jan	5.86½	5.86½	5.86½	5.84	—.09
6.10	5.95	Mar	6.00¾	6.08½	6.00½	5.94	—.09
Est. Sales		Prev. Sales 24,021					
Prev. Day Open Int.106,330 off 1,053							
SOYBEAN MEAL (CBT) 100 tons- dollars per ton							
197.00	161.30	Jan	174.30	174.30	172.00	172.10	—2.60
197.00	163.50	Mar	172.30	172.60	170.30	170.50	—2.10
194.00	164.50	May	172.20	172.50	170.30	170.60	—1.60
196.00	166.00	Jul	173.00	173.70	171.10	171.50	—1.50
188.50	170.90	Aug	174.10	174.50	172.50	172.50	—1.50
186.00	171.30	Sep	175.00	175.20	173.00	173.00	—3.00
194.00	182.30	Oct	188.50	188.50	186.20	186.20	—2.20
196.00	183.50	Dec	189.00	189.80	187.50	187.70	—2.30
Est. Sales		Prev. Sales 8,285					
Prev. Day Open Int. 67,580 off 319							
SOYBEAN OIL (CBT) 60,000 lbs- dollars per 100 lbs.							
24.15	18.42	Jan	18.45	18.58	18.37	18.40	—.10
24.10	18.72	Mar	18.73	18.86	18.65	18.66	—.12
23.90	19.02	May	19.07	19.18	18.96	18.97	—.12
24.30	19.35	Jul	19.38	19.38	19.26	19.27	—.15
22.30	19.53	Aug	19.50	19.60	19.45	19.43	—.17
22.30	19.65	Sep	19.75	19.75	19.60	19.57	—.15
22.30	19.75	Oct	19.75	19.80	19.75	19.66	—.11
22.60	20.05	Dec	19.95	20.10	19.95	19.96	—.14
20.50	20.50	Jan				19.95	—.10
Est. Sales		Prev. Sales 21,355					
Prev. Day Open Int. 64,863 off 2,155							

Livestock

Season High	Season Low		Open	High	Low	Close	Chg.
CATTLE (CME) 40,000 lbs.- cents per lb.							
76.70	68.90	Feb	72.30	72.85	72.25	72.55	+.15
77.00	70.45	Apr	73.00	73.47	72.95	73.27	+.25
75.15	67.40	Jun	68.50	68.90	68.45	68.65	+.10
72.60	65.90	Aug	66.60	66.85	66.55	66.57	
72.00	66.25	Oct	67.20	67.38	66.85	67.15	—.05
71.60	67.20	Dec	68.20	68.25	67.90	68.20	—.02
Est. Sales 13,346		Prev. Sales 13,002					
Prev. Day Open Int. 68,699 off 993							
FEEDER CATTLE (CME) 44,000 lbs.- cents per lb.							
87.80	75.70	Jan	78.10	78.25	77.70	77.80	—.25
87.10	74.00	Mar	75.70	75.80	75.25	75.60	—.15
87.00	73.25	Apr	75.20	75.30	74.75	74.95	—.22
86.50	72.65	May	74.10	74.15	73.75	73.75	—.25
83.00	72.45	Aug	74.00	74.00	73.60	73.52	—.38
82.20	72.15	Sep	73.20	73.25	72.95	72.95	—.20
79.50	72.30	Oct	73.00	73.00	72.85	72.85	—.20
83.00	73.50	Nov				72.70	—.10
Est. Sales 1,554		Prev. Sales 1,334					
Prev. Day Open Int. 9,544 up 169							
HOGS (CME) 40,000 lbs.- cents per lb.							
48.25	38.90	Feb	39.10	39.40	38.85	38.97	—.33
46.67	37.25	Apr	37.35	37.67	37.25	37.35	—.10
50.40	42.50	Jun	42.62	42.82	42.45	42.57	
48.20	43.30	Jul	43.40	43.40	43.05	43.15	—.17
46.85	42.25	Aug	42.15	42.15	41.90	41.95	—.35
42.00	39.70	Oct	39.80	39.80	39.25	39.50	—.35
43.60	41.10	Dec	42.80	42.80	42.20	42.37	—.28
47.25	43.50	Feb	43.45	43.45	43.45	43.60	—.20
Est. Sales 2,427		Prev. Sales 2,417					
Prev. Day Open Int. 18,450 off 172							
PORK BELLIES (CME) 40,000 lbs.- cents per lb.							
63.00	36.07	Feb	36.05	36.35	36.05	36.12	—.10
61.00	36.35	Mar	36.35	36.70	36.32	36.35	—.15
58.20	37.10	May	37.20	37.40	37.20	37.45	—.02
57.00	37.40	Jul	37.60	37.80	37.60	37.60	—.17
51.00	36.85	Aug	36.95	37.10	36.70	36.77	—.23
Est. Sales 1,273		Prev. Sales 1,057					
Prev. Day Open Int. 12,223 off 205							

Food

Season High	Season Low		Open	High	Low	Close	Chg.
COFFEE C (NYCSCE) 37,500 lbs.- cents per lb.							
107.50	76.85	Mar	77.00	79.50	76.80	78.95	+1.25
108.00	79.70	May	79.60	82.20	79.50	81.70	+1.25
108.00	82.35	Jul	82.10	84.70	82.10	84.40	+1.70
108.00	85.00	Sep	86.25	86.50	86.15	86.50	+1.15
107.25	89.00	Dec				90.25	—.50
94.75	91.80	Mar	95.25	95.25	95.25	93.25	+1.00
95.00	93.75	May				95.40	+1.15
Est Sales 5,832		Prev. Sales 1,756					
Prev. Day Open Int. 43,121 off 55							
SUGARWORLD 11 (NYCSCE) 112,000 lbs.- cents per lb.							
10.14	7.56	Mar	8.98	9.07	8.57	8.59	—.41
9.77	7.65	May	8.83	8.88	8.53	8.53	—.31
9.16	7.80	Jul	8.78	8.78	8.48	8.49	—.26
9.06	7.93	Oct	8.67	8.67	8.38	8.38	—.23
9.04	8.20	Mar	8.58	8.58	8.41	8.41	—.21
8.45	8.45	May	8.60	8.60	8.40	8.40	—.21
Est. Sales 21,893		Prev. Sales 3,752					
Prev. Day Open Int. 94,598 off 275							
COCOA (NYCSCE) 10 metric tons-$ per ton							
1538	997	Mar	1240	1284	1227	1250	+8
1388	1026	May	1279	1293	1266	1271	+4
1410	1056	Jul	1315	1324	1300	1325	—2
1427	1080	Sep	1345	1353	1336	1348	—2
1460	1119	Dec	1385	1394	1378	1385	—2
1495	1272	Mar	1415	1420	1415	1413	—2
1518	1210	May				1435	—2
1530	1294	Jul				1460	—2
1536	1455	Sep	1490	1490	1490	1482	—2
Est. Sales 5,967		Prev. Sales 4,714					
Prev. Day Open Int 52,803 off 1,264							
ORANGE JUICE (NYCE) 15,000 lbs.- cents per lb.							
178.80	112.65	Jan	157.00	160.00	155.80	155.80	+.65
178.40	113.60	Mar	157.00	159.00	155.75	156.60	+1.10
177.95	115.00	May	157.50	159.25	154.50	157.40	+1.25
175.50	115.25	Jul	158.25	159.00	157.50	157.40	+.40
175.00	118.00	Sep	157.50	157.50	156.80	156.80	+.35
165.50	118.00	Nov	149.50	149.90	149.50	147.65	—.60
163.00	126.00	Jan	145.00	145.00	144.80	144.95	+.20
		Mar	145.00	145.00	145.00	144.95	+.20
		May				144.95	+.20
Est. Sales		Prev. Sales 1,209					
Prev. Day Open Int. 8,728 off 81							

Metals

Season High	Season Low		Open	High	Low	Close	Chg.
HI GRADE COPPER (COMEX) 25,000 lbs.- cents per lb.							
106.60	95.00	Jan	96.20	96.40	95.10	95.10	—1.60
105.70	95.00	Feb	95.50	95.50	95.50	95.55	—1.70
106.80	93.90	Mar	97.10	97.40	95.45	95.70	—1.85
103.00	93.50	Apr				95.85	—1.60
106.20	93.30	May	97.20	97.30	96.00	96.05	—1.40
102.00	95.10	Jun				96.20	—1.25
103.80	92.80	Jul	97.10	97.10	97.00	96.20	—1.10
101.00	96.70	Aug				96.30	—.95
103.45	92.80	Sep	96.90	97.30	96.90	96.35	—.85
99.80	96.60	Oct	97.30	97.30	97.30	96.25	—.80
98.40	96.45	Nov				96.30	—.70
101.10	91.60	Dec	97.00	97.00	96.70	96.35	—.60
98.00	2.50	Jan	97.10	97.10	97.10	96.25	—.40
100.50	92.80	Mar	97.00	97.00	97.00	96.35	—.40
99.30	93.70	May				96.35	—.10
97.60	95.80	Jul				96.35	+.10
96.65	96.00	Sep				96.35	+.30
Est. Sales 7,100		Prev. Sales 4,271					
Prev. Day Open Int. 43,334 off 293							
SILVER (COMEX) 5,000 troy oz.- cents per troy oz.							
596.0	381.5	Jan	385.5	396.0	385.5	394.7	+6.4
413.0	385.0	Feb				396.1	+6.2
613.0	381.0	Mar	386.0	400.5	385.5	397.5	+6.3
589.0	384.5	May	389.5	403.0	389.5	400.9	+6.3
557.0	388.5	Jul	394.5	406.0	394.0	404.1	+6.3
483.0	395.0	Sep				407.3	+6.3
507.0	398.0	Dec	402.0	414.5	402.0	412.3	+6.3
505.0	427.0	Jan				414.1	+6.3
513.0	407.0	Mar	414.0	414.0	414.0	417.7	+6.3
473.0	411.0	May				421.5	+6.5
470.5	412.5	Jul				425.3	+6.3
450.0	418.0	Sep				429.6	+6.3
Est. Sales 15,000		Prev. Sales 5,308					
Prev. Day Open Int. 96,843 off 27							
PLATINUM (NYME) 50 troy oz.- dollars per troy oz.							
451.50	331.00	Jan	335.50	338.50	335.50	337.60	—1.10
438.50	332.20	Apr	337.50	339.80	336.50	338.60	—.60
427.50	335.00	Jul	339.50	341.00	339.00	339.90	—.90
404.00	341.00	Oct	345.50	345.50	345.50	344.80	—.60
384.00	343.00	Jan				345.60	—.60
Est. Sales		Prev. Sales 1,754					
Prev. Day Open Int. 15,238 up 61							
PALLADIUM (NYME) 100 troy oz- dollars per oz							
135.75	78.50	Mar	80.00	81.15	79.50	80.80	+.15
101.75	80.00	Jun	81.00	81.65	81.00	81.55	+.15
85.00	81.00	Sep				82.55	+.15
90.20	82.25	Dec				83.60	+.15
Est. Sales		Prev. Sales 109					
Prev. Day Open Int. 3,665 up 24							
GOLD (COMEX) 100 troy oz.- dollars per troy oz.							
363.00	351.00	Jan				352.10	—2.00
456.50	349.80	Feb	351.20	353.40	350.90	353.20	—2.00
		Mar				354.20	—2.10
446.00	354.00	Apr	353.30	355.70	353.00	355.40	—2.10
467.00	355.00	Jun	355.70	357.60	355.10	357.50	—2.10
426.50	359.00	Aug	357.00	359.80	357.00	359.60	—2.20
410.80	362.00	Oct				361.50	—2.30
406.80	363.50	Dec	362.80	363.80	362.00	363.70	—2.30
404.20	378.00	Feb				366.00	—2.30
410.00	375.00	Apr				368.10	—2.40
411.80	370.00	Jun				370.30	—2.50
395.50	380.50	Aug				372.80	—2.50
395.00	378.70	Oct				375.40	—2.50
		Dec				378.00	—2.50
Est. Sales 23,000		Prev. Sales 9,513					
Prev. Day Open Int.114,144 up 778							

Financial

Season High	Season Low		Open	High	Low	Close	Chg.
US T. BILLS (IMM) $1 million-pts of 100 pct.							
96.38	93.42	Mar	96.34	96.34	96.29	96.32	
96.30	93.15	Jun	96.27	96.27	96.23	96.26	
96.13	93.87	Sep	96.13	96.13	96.08	96.09	+.01
95.67	93.98	Dec				95.68	+.04
95.43	95	Mar	95.42	95.43	95.42	95.43	+.03
Est. Sales 4,474		Prev. Sales 3,141					
Prev. Day Open Int. 48,024 up 33							
5 YR. TREASURY (CBT) $100,000 prin- pts & 32nds of 100 pct							
07-055	99-250	Mar	107.035	107.040	106.225	106.265	—.750
06-000	103-110	Jun	106.070	106.070	105.275	105.285	—.755
Est. Sales		Prev. Sales 6,684					
Prev. Day Open Int. 92,411 off 558							
10 YR. TREASURY (CBT) $100,000 prin- pts & 32nds of 100 pct							
107-17	95-8	Mar	107-11	107-12	106-13	106-20	—21
106-5	98-11	Jun	106-9	106-9	105-18	105-19	—20
105-11	100-21	Sep				104-21	—20
Est. Sales		Prev. Sales 14,820					
Prev. Day Open Int.101,394 up 139							
US TREASURY BONDS (CBT) (8 pct-$100,000-pts & 32nds of 100 pct)							
104-27	85-14	Mar	104-26	104-30	103-18	104-3	—21
103-24	85-3	Jun	103-21	103-27	102-17	103	—22
102-23	87-14	Sep	102-24	102-25	101-20	102	—22
101-27	85-6	Dec	101-25	101-25	100-18	101-1	—23
100-29	90-16	Mar	100-28	100-28	99-29	100-6	—23
100-3	90-22	Jun	99-8	99-11	99-8	99-11	—24
99-29	90	Sep				98-18	—24
97-3	92-18	Dec				97-26	—24
96-22	90	Mar				97-4	—24
93-13	93-3	Jun				96-16	—24
Est. Sales		Prev. Sales129,308					
Prev. Day Open Int.280,075 up 5,458							
MUNICIPAL BONDS (CBT) $1000x index-pts & 32nds of 100 pct							
97-17	88	Mar	97-12	97-19	96-28	97-4	—8
97-2	93-4	Jun	96-30	96-30	96-30	96-23	—7
95-6	95-6	Sep				96-10	—7
Est. Sales		Prev. Sales 1,762					
Prev. Day Open Int. 21,427 up 352							
EURODOLLARS (IMM) $1 million-pts of 100 pct.							
96.01	90.09	Mar	96.00	96.00	95.92	95.94	—.02
95.95	90.35	Jun	95.88	95.89	95.83	95.85	
95.66	90.32	Sep	95.69	95.70	95.62	95.64	
95.19	90.24	Dec	95.20	95.23	95.17	95.18	+.02
94.94	90.28	Mar	94.95	94.98	94.92	94.93	+.02
94.49	90.27	Jun	94.50	94.53	94.47	94.48	+.02
94.05	90.27	Sep	94.06	94.09	94.04	94.05	+.03
93.54	90.22	Dec	93.54	93.56	93.50	93.51	+.01
93.43	90.24	Mar	93.45	93.47	93.38	93.39	—.02
93.18	90.40	Jun	93.21	93.21	93.12	93.14	—.03
92.96	90.36	Sep	93.00	93.01	92.91	92.92	—.04
92.61	90.71	Dec	92.64	92.65	92.55	92.55	—.05
92.61	90.75	Mar	92.64	92.65	92.55	92.55	—.06
92.47	90.71	Jun	92.50	92.50	92.41	92.41	—.06
92.33	91.31	Sep	92.36	92.36	92.26	92.27	—.06
92.14	91.82	Dec	92.19	92.19	92.09	92.08	—.06
Est. Sales130,080		Prev. Sales 74,129					
Prev. Day Open Int.023,155 up 4,437							

Currencies

Season High	Season Low		Open	High	Low	Close	Chg.
BRITISH POUND (IMM) $ per pound- 1 point equals $0.0001							
1.8646	1.5670	Mar	1.8528	1.8574	1.8360	1.8434	—14
1.8330	1.6510	Jun	1.8220	1.8280	1.8172	1.8142	—6
1.8080	1.7250	Sep				1.7874	+2
Est. Sales		Prev. Sales 3,105					
Prev. Day Open Int. 20,576 off 70							
CANADIAN DOLLAR (IMM) $ per dlr- 1 point equals $0.0001							
.8856	.8268	Mar	.8624	.8639	.8617	.8631	+29
.8820	.8330	Jun	.8570	.8586	.8565	.8575	+31
.8774	.8428	Sep				.8522	+33
.8740	.8377	Dec				.8473	+35
.8712	.8430	Mar				.8390	
Est. Sales		Prev. Sales 1,355					
Prev. Day Open Int. 20,540 off 253							
GERMAN MARK (IMM) $ per mark- 1 point equals $0.0001							
.6563	.5353	Mar	.6520	.6545	.6442	.6474	—37
.6478	.5322	Jun	.6438	.6455	.6360	.6389	—36
.6380	.5685	Sep				.6311	—36
.6106	.5950	Dec				.6242	—37
Est. Sales		Prev. Sales 10,950					
Prev. Day Open Int. 54,472 up 910							
JAPANESE YEN (IMM) $ per yen- 1 point equals $0.000001							
.007993	.007000	Mar	.008045	.008052	.007997	.008010	+19
.007965	.007150	Jun	.008025	.008025	.007980	.007987	+20
.007900	.007280	Sep				.007972	+21
.007910	.007512	Dec				.007964	+22
		Mar				.007965	+22
Est. Sales		Prev. Sales 8,189					
Prev. Day Open Int. 59,874 up 2,103							
SWISS FRANC (IMM) $ per franc- 1 point equals $0.0001							
.7394	.6267	Mar	.7325	.7370	.7232	.7279	—21
.7325	.6546	Jun	.7257	.7258	.7205	.7208	—20
.7225	.6890	Sep				.7142	—20
Est. Sales		Prev. Sales 6,622					
Prev. Day Open Int. 26,301 off 144							

Industrials

Season High	Season Low		Open	High	Low	Close	Chg.
COTTON 2 (NYCE) 50,000 lbs.- cents per lb.							
77.15	58.35	Mar	59.11	59.84	59.02	59.58	+.41
92.25	59.51	May	60.65	61.35	60.55	61.08	+.38
77.70	60.35	Jul	61.75	62.50	61.65	62.30	+.45
70.60	62.30	Oct	63.35	64.00	63.35	63.95	+.40
69.00	62.35	Dec	63.60	64.25	63.56	64.18	+.43
67.30	64.25	Mar	64.87	64.85	64.85	65.55	+.55
66.25	66.25	May				65.90	+.65
Est. Sales		Prev. Sales 2,178					
Prev. Day Open Int. 34,946 up 148							
HEATING OIL (NYME) 42,000 gal- cents per gal							
70.70	47.10	Feb	51.10	51.80	50.50	51.55	+.45
67.00	50.25	Mar	52.10	52.90	51.50	52.70	+.61
63.65	50.00	Apr	52.00	53.10	51.80	52.90	+.90
61.40	48.25	May	51.10	52.30	51.10	52.10	+1.38
60.20	48.00	Jun	51.80	51.85	51.70	51.70	+1.38
59.65	50.00	Jul	51.20	52.00	51.20	52.00	+1.78
59.75	51.30	Aug	51.80	52.00	51.80	52.02	+1.00
60.90	53.10	Sep	53.80	53.80	53.80	53.80	+1.53
61.70	53.75	Oct	54.80	54.80	54.80	54.80	+1.53
62.60	55.00	Nov	55.75	56.25	55.75	56.25	+1.98
63.50	55.95	Dec	57.25	57.25	57.25	57.25	+1.98
63.75	56.40	Jan	57.50	57.50	57.50	57.50	+2.03
52.00	51.80	May	51.60	51.60	51.60	51.60	+1.88
51.00	50.00	Jun	51.00	51.00	51.00	51.00	+1.73
Est. Sales		Prev Sales 40,078					
Prev. Day Open Int.113,559 off 387							
CRUDE OIL (NYME) 1,000 bbl.- dollars per bbl.							
27.00	17.50	Feb	19.10	19.52	19.08	19.49	+.37
26.75	17.25	Mar	19.15	19.52	19.12	19.49	+.37
26.50	17.50	Apr	19.20	19.55	19.15	19.49	+.30
24.60	17.30	May	19.25	19.53	19.23	19.49	+.26
24.50	17.70	Jun	19.28	19.52	19.25	19.50	+.22
22.11	17.90	Jul	19.33	19.53	19.33	19.52	+.19
21.80	17.75	Aug	19.33	19.48	19.33	19.54	+.16
24.00	17.78	Sep	19.40	19.53	19.40	19.56	+.13
21.56	18.85	Oct	19.48	19.57	19.47	19.58	+.11
21.48	19.00	Nov	19.57	19.60	19.55	19.61	+.09
24.00	18.25	Dec	19.50	19.67	19.50	19.64	+.07
21.36	19.07	Jan	19.68	19.68	19.64	19.65	+.06
21.29	19.07	Feb	19.70	19.70	19.68	19.68	+.07
20.65	19.34	Dec	19.97	19.97	19.97	19.97	
Est. Sales		Prev. Sales 44,610					
Prev. Day Open Int.285,921 up 3,634							
UNLEADED GASOLINE (NYME) 42,000 gal- cents per gal							
64.90	50.70	Feb	54.60	55.60	54.10	55.44	+1.20
65.65	50.50	Mar	56.00	56.80	55.40	56.73	+1.18
69.60	57.30	Apr	60.40	61.20	60.00	61.18	+.98
69.00	57.30	May	60.50	61.45	60.50	61.60	+1.05
67.70	58.00	Jun	60.00	60.55	60.05	60.85	+.95
64.85	57.85	Jul	58.80	59.55	58.80	59.75	+.90
63.00	56.90	Aug	57.95	58.20	57.95	58.55	+.75
60.20	55.80	Sep	57.00	57.00	57.00	57.05	+.73
	54.45	Oct				54.90	+.70
Est. Sales		Prev. Sales 20,930					
Prev. Day Open Int.123,103 off 3,808							

Stock Indexes

Season High	Season Low		Open	High	Low	Close	Chg.
SP COMP. INDEX (CME) points and cents							
420.10	372.90	Mar	416.90	421.50	412.40	420.35	+2.15
421.00	374.50	Jun	419.00	422.80	415.85	421.75	+2.05
421.40	379.00	Sep				421.15	+1.95
		Dec	418.50	419.00	419.00	424.10	+1.30
Est. Sales		Prev. Sales 40,872					
Prev. Day Open Int.140,849 off 609							
NYSE COMP. INDEX (NYFE) points and cents							
230.90	205.70	Mar	229.00	231.50	226.55	230.85	+1.30
231.00	206.50	Jun	229.00	231.70	227.40	231.35	+1.30
231.00	212.55	Sep	229.40	229.40	229.40	231.85	+1.40
Est. Sales		Prev. Sales 5,120					
Prev. Day Open Int. 5,010 off 44							

Commodity Indexes

	Close	Previous
Moody's	968.20	968.30
Reuters	1,591.30	1,594.10
D.J. Futures	120.17	120.14
Com. Research	208.17	208.37

Market Guide

CBT:	Chicago Board of Trade
CME:	Chicago Mercantile Exchange
IMM:	International Monetary Market Of Chicago Mercantile Exchange
NYCSCE:	New York Cocoa, Sugar, Coffee Exchange
NYCE:	New York Cotton Exchange
COMEX:	Commodity Exchange, New York
NYME:	New York Mercantile Exchange
KCBT:	Kansas City Board of Trade
NYFE:	New York Futures Exchange

WORLD STOCK MARKETS

Agence France Presse Jan. 2

Amsterdam

	Close	Prev.
ABN Amro Hld	42.50	42
ACF Holding	32.50	32
Aegon	120.80	119.10
Ahold	79.30	77.80
Akzo	131.30	133.40
AMEV	52.30	51.60
A'Dam Rubber	3.25	3.25
Bols	43.60	42.90
Buhrmann Tett	41.50	41.50
Center Parcs	N.Q.	20.25
CSM	88.20	87.70
DAF	22.30	22.90
DSM	90.40	89.70
Elsevier	101.10	99
Fokker	29.60	29.40
Gist-Brocades	32.10	32.30
Heineken	157.50	156.50
Hoogovens	42.90	43.70
Hunter Douglas	57.80	57.40
IHC Caland	54.70	54.70
Inter Mueller	55.70	55.50
Int'l Nederland	46.30	45.70
KLM	39.20	40.30
KNP	47.80	47.50
Nedlloyd	55.20	55.60
Oce Grinten	64.10	61.90
Pakhoed	43.70	42.40
Philips	29.50	29.20
Robeco	94.60	93.20
Rodamco	57.20	56.80
Rolinco	96.80	95
Rorento	70	69.70
Royal Dutch	146.30	142
Unilever	181	175.70
Van Ommeren	40.80	40.30
VMF Stork	40.90	40.70
VNU	73	69.50
Wessanen	80	79.90
Wolters/Kluwer	62.80	60.70

CBS Trend Index : N.A.
Previous : 88.70

Brussels

	Close	Prev.
Acec-UM	2245	2240
AG Fin	1790	1760
Arbed	3280	3220
Barco	1020	956
Bekaert	N.Q.	9110
Cockerill	146	145
Cobepa	4850	4855
Delhaize	8930	8260
Electrabel	4850	4850
GIB	1216	1200
GBL	3285	3290
Gevaert	6560	6590
Hoboken	N.Q.	9530
Kredietbank	4150	4130
Petrofina	10750	10900
Royal Belge	3800	3770
Soc Gen Banque	5900	5960
Soc Gen Belgique	1880	1790
Sofina	11500	11200
Solvay	11825	11800
Tractebel	8010	8000
UCB	19225	19000
Powerfin	2600	2570

Current Stock Index : 5525.85
Previous : 5481.43

Frankfurt

	Close	Prev.
AEG	201.50	198.50
Allianz Hold	2138	2098
Altana	562.10	563
Aska	625	630
BASF	226.60	219.70
Bayer	281.40	277.50
Bay. Hypo bank	389.80	378.50
Bay Vereinsbk	408	404.50
BBC	690	680
BHF Bank	411	403
BMW	479	472.50
Commerzbank	251.30	247.50
Continental	205.80	207
Daimler Benz	755	742
Degussa	291	291
Dt Babcock	141.80	137.70
Deutsche Bank	683.70	671
Douglas	664.50	660
Dresdner Bank	328.50	326.50
Feldmuehle	506.50	506.50
Harpener	275	270
Henkel	527.80	519
Hochtief	981	965
Hoechst	227.50	223.90
Hoesch	243	248
Holzmann	1026	1017
Horten	172	173
IWKA	285	282
Kali Salz	139.80	140
Karstadt	638	630
Kaufhof	433	434
KHD	132	132.80
Kloeckner Werke	106	105
Krupp Stahl	142	141.50
Linde	683	681
Lufthansa	162	161.50
MAN	346.50	N.A.
Mannesmann	258.80	245.50
Metallgesell	392.50	385.50
Muench Rueck	N.A.	
Nixdorf	183	182.50
PKI	N.A.	
Porsche	540	537
Preussag	308.60	306
PWA	217.30	213
RWE	392	385.80
Rheinmetall	254	260
Schering	766.10	767.80
SEL	455	447
Siemens	632	624.90
Thyssen	203	201.20
Varta	267	267
Veba	362	356.80
VEW	222	217.50
Viag	358.30	354.80
Volkswagen	306.60	301.50
Wella	538	548

DAX Index : 1601.88
Previous : 1577.98
FAZ Index : 651.92
Previous : 640.31

Helsinki

	Close	Prev.
Amer A	63	62
Enso-Gutzeit	19	19
K.O.P.	16	16
Kymmene	72	69.90
Metra	50	50.50
Nokia	67	66
Pohjola	61	70
Repola	42	41
Stockmann	155	156

HEX Index : 772.70
Previous : 781.80

Hong Kong

	Close	Prev.
Bk East Asia	25	24.70
Cathay Pacific	9.85	9.95
Cavendish Int'l	3.55	3.55
Cheung Kong	19.80	19.70
China Light Pwr	23.20	23.30
Dairy Farm Int'l	9.80	9.60
Hang Lung Dev	8.15	8.15
Hang Seng Bank	38.25	38.50
Henderson Land	13.90	13.80
HK Air Eng.	16.90	17
HK China Gas	11.40	11.30
HK Electric	13.90	13.70
HK Land	9.25	9.30
HK Realty Trust	7	7.10
HK Shang Bank	35.75	35.75
HK Shang Htls	4.80	4.68
HK Telecomm	8.05	8.05
HK Ferry	5.35	5.40
Hutch Whampoa	14.60	14.60
Hysan Dev	8.30	8.30
Jardine Math.	39	38.50
Jardine Str Hld	18.60	18.40
Kowloon Motor	7.75	7.75
Mandarin Orient	5.65	5.55
Miramar Hotel	6.75	6.80
New World Dev	11	11.10
SHK Props	23.20	23.20
Stelux	4.50	4.53
Swire Pac A	23.40	23.40
Tai Cheung Pros	5.10	5.10
TVE	2.43	2.45
Wharf Hold	11.10	11.20
Winsor Ind.	9.55	9.60
World Int'l	5.40	5.35

Hang Seng Index : 4301.78
Previous : 4297.33

Johannesburg

	Close	Prev.
AECI	9	N.A.
Altech	95	—
Anglo Amer	124	—
Barlows	50	—
Blyvoor	6	—
Buffels	34.50	—
De Beers	90.75	—
Driefontein	36	—
Gencor	12.10	—
GFSA	77	—
Harmony	19.50	—
Highveld Steel	14.70	—
Kloof	30	—
Nedbank Grp	15.60	—
Randfontein	16	—
Rusplat	58.50	—
SA Brews	55.75	—
St Helena	22	—
Sasol	18.25	—
Welkom	16.50	—
Western Deep	112	—

Composite Stock Index : 3427
Previous : N.A.

London

	Close	Prev.
Abbey Nat'l	2.95	2.94
Allied Lyons	6.20	6.18
Arjo Wiggins	2.42	2.43
Argyll Group	2.81	2.78
ASDA Group	0.32	0.33
Ass Brit Foods	4.75	4.71
BAA	5.41	5.30
BAe	3.02	3.18
Bank Scotland	1.18	1.16
Barclays	3.68	3.79
Bass	9.80	9.80
BAT	6.27	6.28
BET	2.01	2.06
BICC	3.09	3.03
Blue Circle	2.18	2.18
BOC Group	6.12	6.10
Boots	4.24	4.29
BP	2.90	2.93
Brit Airways	2.28	2.32
Brit Gas	2.64	2.65
Brit Steel	0.68	0.68
Brit Telecom	3.28	3.28
BTR	3.96	3.99
Cable Wire	5.87	5.91
Cadbury Sch	4.26	4.31
Comm Union	4.91	4.82
Courtaulds	5.07	5.05
Enterprise Oil	4.31	4.38
Eurotunnel	3.90	4.10
Fisons	3.36	3.26
Forte	2.25	2.33
GEC	1.97	2.00
Gen'l Acc	4.66	4.58
Glaxo	8.37	8.53
Grand Met	8.75	8.82
GRE	1.16	1.11
Guinness	5.15	5.08
GUS A	14.17	14.15
Hanson	2	2.00
Hillsdown	1.63	1.67
ICI	11.90	12.10
Inchcape	3.90	3.88
Kingfisher	4.72	4.82
Ladbroke	2.19	2.32
Land Sec	4.43	4.48
Lasmo	2.26	2.22
Legal Gen Grp	3.79	3.74
Lloyds Bank	3.94	3.92
Lonrho	1.58	1.55
Lucas Ind	1.13	1.15
Marks Sp	2.76	2.78
Maxwell	Susp.	—
MEPC	3.92	3.95
Midland Bk	2.10	2.15
Nat'l Power	1.41	1.45
NatWest	2.77	2.77
NthWst Water	3.40	3.34
Pearson	7.06	6.98
P & O	4.34	4.28
Pilkington	1.29	1.37
PowerGen	1.52	1.55
Prudential	2.45	2.46
Rank Org	5.98	5.88
Reckitt Col	6.47	6.45
Redland	4.33	4.38
Reed Int'l	5.36	5.29
Reuters	10.30	10.33
RMC Group	5.48	5.39
Rolls Royce	1.27	1.26
Rothmans	11.10	11.09
Royal Ins	2.48	2.40
Royal Scot	1.62	1.60
RTZ	4.74	4.72
Sainsbury	3.74	3.77
Scot Newcas	4.11	4.10
Scot Power	1.04	1.03
Sears Hlds	0.92	0.94
Severn Trent	3.11	3.11
Shell	5.01	4.98
Smith Nephew	1.39	1.39
SmithKline B	8.99	8.96
Sun Alliance	2.97	2.87
Tarmac	1.15	1.16
Tate & Lyle	3.99	4.01
Tesco	2.22	2.27
Thorn EMI	7.41	7.42
Trafalgar Hse	1.23	1.20
TSB Group	1.18	1.19
Unilever	8.96	9.02
Utd Biscuits	3.90	3.91
Vodafone	3.78	3.77
War Loan 3½	37.06	36.44
Wellcome	11.22	11.01
Whitbread	4.33	4.27
Williams Hdgs	2.89	2.91
Willis Corroon	2.36	2.48

F.T. 30 Index : 1884.00
Previous : 1871.30
F.T.S.E. 100 Index : 2492.80
Previous : 2473.10

Madrid

	Close	Prev.
BBV	2550	2610
Banco Central	N.Q.	—
Banco Santander	3835	4070
Banesto	2850	2830
CEPSA	2245	2335
Dragados	1900	1955
Endesa	2800	2865
Ercros	346	375
Iberdrola I	682	708
Tabacalera	5600	5530
Telefonica	1185	1205

S.E. General Index : 238.93
Previous : 242.11

Milan

	Close	Prev.
Alenia	2170	2150
Banca Comm	3691	3699
Bastogi	159	159
Benetton group	10835	10670
Cigahotels	1732	1747
CIR	1665	1700
Cred Ital	2006	2000
Enichem	1395	1397
Eridania	7005	6905
Ferfin	1552	1597
Ferfin Risp	1200	1182
Fiat SPA	4655	4700
Generali	28250	28350
IFI	12650	12500
Italcem	19890	19950
Italgas	3251	3279
Italmobiliare	67000	67450
Mediobanca	13670	13730
Montedison	1203	1214
Olivetti	2410	2470
Pirelli	1055	1090
RAS	20070	20290
Rinascente	6185	6210
Saipem	1615	1635
SIP	1388	1364
SME	3185	3175
Snia	1052	1071
Standa	32450	32600
Stet	2075	2062
Toro Assi Risp	21750	21995

MIB Index : 981
Previous : 982

Montreal

	Close	Prev.
Alcan Aluminum	22⅝	23½
Bank Montreal	43⅝	44
Bell Canada	47⅞	47⅞
Bombardier A	N.Q.	28½
Bombardier B	27¾	28⅝
Cambior	9	8¾
Cascades	5⅝	6
Dominion Text A	7⅞	7⅞
Donohue	12½	12
MacMillan Bl	18¼	18⅜
Natl Bk Canada	11¼	11¼
Power Corp.	15⅛	15
Provigo	9¼	9⅛
Quebec Tel	18½	18½
Quebecor A	N.Q.	21½
Quebecor B	20⅞	21¼
Teleglobe	11¼	N.Q.
Videotron	N.Q.	—

Industrials Index : 1619.94
Previous : 1634.35

Paris

	Close	Prev.
Accor	643	649
Air Liquide	686	703
Alcatel Alsthom	568	571
Axa	767	758
Bancaire (Cie)	473	478.40
BIC	669	680
Bouygues	520	523
BSN-GD	1018	1017
Carrefour	2300	2315
C.C.F.	168	170
Cerus	94	92.20
Chargeurs	900	886
Ciments Franc	284	283
Club Med	405.80	413
Elf-Aquitaine	380	388.50
Gen. Eaux	2069	2074
Eurodisneyland	150.30	150
Hachette	144.30	147.80
Havas	434.50	443.80
Imetal	235.10	247
Lafarge Coppee	324.50	331.50
Legrand	3690	3745
Lyon. Eaux	434.50	433
Oreal (L')	733	751
L.V.M.H.	4212	4169
Matra	169	175.50
Merlin Gerin	475.10	495
Michelin B	120.80	122
Moulinex	152	157
Paribas	309.80	314.20
Pechiney Intl	164.50	172
Pernod-Ricard	1224	1231
Perrier	1231	1221
Peugeot	594	595
Printemps (Au)	796	815
Radiotechnique	442	449
Raff. St. Louis	1195	1192
Redoute (La)	4599	4600
Saint Gobain	442.50	443.40
Sanofi	1030	1040
S.E.B.	1680	1680
Ste Generale A	451.10	465
Suez	285.50	284.10
Thomson-CSF	149.20	152.20
Total	985	982
U.A.P.	483.10	488.40
Valeo	552	565

CAC 40 Index : 1749.91
Previous : 1765.66

Sao Paulo

	Close	Prev.
Banco do Brasil	74.50	N.A.
Bradesco	34	—
Brahma	238	—
Paranapanema	7.55	—
Petrobras	5610	—
Vale Rio Doce	71	—
Varig	83	—

Bovespa Index : 67597
Previous : 68776

Singapore

	Close	Prev.
Cerebos	2.78	2.84
City Dev.	3.96	4
DBS	11.20	11.50
Fraser Neave	8.85	8.85
Genting	6.80	6.80
Golden Hope Pl	1.37	1.39
Haw Par	2.57	2.59
Hume Industries	2.97	3
Inchcape	4.42	4.50
Keppel	8.20	8.25
KL Kepong	2.21	2.21
Lum Chang	1.02	1.03
Malayan Banking	4.06	4.14
OCBC	8.90	8.95
OUB	4.62	4.72
OUE	8.60	8.65
Sembawang	8.60	8.60
Shangrila	5.90	6.10
Sime Darby	2.28	2.31
SIA	13.10	13.10
S'pore Land	5.45	5.40
S'pore Press	8.90	8.90
Sing Steamship	2.79	2.82
Straits Trading	2.69	2.71
UOB	6.20	6.20
UOL	1.59	1.62

Straits Times Ind. : 1479.35
Previous : 1498.78

Stockholm

	Close	Prev.
AGA	300	310
Asea	283	285
Astra A	511	516
Atlas Copco	239	240
Electrolux B	225	218
Ericsson	105	108
Esselte-A	112	115
Handelsbanken	95	98
Norsk Hydro	141	137
Procordia AF	200	190
Providentia	80	81
Sandvik A	347	345
SCA-A	95	110
S-E Banken	52	52
Skandia F	173	177
Skanska	140	145
SKF	95	94
Stora	238	240
Trelleborg B	98	97
Volvo	318	315

Affaersvaerlden : 857.61
Previous : 859.12

Sydney

	Close	Prev.
ANZ	4.75	4.81
BHP	13.76	13.74
Boral	3.44	3.49
Bougainville	0.62	0.63
Coles Myer	12.46	12.46
Comalco	3.65	3.74
CRA	12.20	12.10
CSR	4.79	4.79
Dunlop	5.64	5.66
Fosters Brew	1.86	1.89
Goodman Field	1.60	1.63
ICI Australia	5.52	5.52
Magellan	2.20	2.15
MIM	2.25	2.24
Nat Aust Bank	7.96	7.98
News Corp	15	15
Nine Network	0.69	0.67
Pioneer Int'l	3.22	3.27
Nmndy Poseidon	1.10	1.11
N Broken Hill	2.47	2.40
QCT Resources	1.22	1.20
Santos	2.92	2.98
TNT	1.52	1.57
Western Mining	4.61	4.64
Westpac Banking	4.46	4.61
Woodside	3.90	3.90

All Ordinaries Index : 1647.90
Previous : 1651.40

Markets Closed

Stock markets were closed Thursday in Tokyo and Zurich for the holiday.

Toronto

	Close	Prev.
Abitibi Price	14⅝	N.A.
Agnico Eagle	4.60	—
Air Canada	8	—
Alberta Energy	12⅞	—
Am Barrick Res	31⅜	—
BCE	47½	—
Bk Nova Scotia	21½	—
BC Gas	17	—
BC Phone	22⅝	—
BF Realty Hds	0.11	—
BP Canada	11⅝	—
Bramalea	5	—
Brunswick	7	—
CAE	6½	—
Campeau	0.52	—
CIBC	34⅛	—
Canadian Pacific	17⅝	—
Can Packers	17	—
Can Tire A	22½	—
Canadian Turbo	1.90	—
Cantor	24⅝	—
Cara	5½	—
CCL Ind B	9½	—
Cineplex	3.30	—
Cominco	21⅛	—
Conwest Expl A	9⅞	—
Corona Intl	N.Q.	—
Denison Min B	0.15	—
Dickenson Min A	3½	—
Dofasco	16⅞	—
Dylex A	3.15	—
Echo Bay Mines	8½	—
Equity Silver A	1.10	—
FCA Intl	5½	—
Fed Ind A	7½	—
Fletcher Chall A	16⅛	—
FPI	6¼	—
GoldCorp	3.10	—
Grafton Group	0.10	—
Gulf Cda Res	6⅛	—
Hees Intl	14⅞	—
Hemlo Gld Mines	11⅝	—
Hollinger	11½	—
Horsham	10¼	—
Hudson's Bay	33⅞	—
Imasco	36⅞	—
Inco	34⅞	—
Interprov pipe	32⅞	—
Jannock	16⅝	—
Labatt	25⅝	—
Loblaw Co	18⅞	—
Mackenzie	6	—
Magna Intl A	19⅞	—
Maritime	20⅞	—
Mark Res	5⅞	—
MacLean Hunter	11	—
Molson A	30	—
Noma Ind A	5½	—
Noranda Inc	18½	—
Noranda Forest	8⅝	—
Norcen Energy	23	—
Nova Corp	7⅞	—
Oshawa	22¼	—
Pagurin A	5⅛	—
Placer Dome	12⅝	—
Poco Petroleum	5½	—
PWA Corp	5¼	—
Quebec Sturgeon	N.Q.	—
Rayrock	5¼	—
Renaissance	13⅛	—
Rogers B	13⅝	—
Rothmans	77	—
Royal Bank Can	27⅞	—
Royal TrustCo	8⅞	—
Sceptre Res	1.70	—
Scott's Hosp	15½	—
Seagram	131⅞	—
Sears Can	10⅜	—
Shell Can	38	—
Sherritt Gordon	7½	—
SHL Systemhse	8⅞	—
Southam	16⅞	—
Spar Aerospace	15⅞	—
Stelco A	N.Q.	—
Teck B	18	—
Thomson News	15⅞	—
Toronto Domn	18⅞	—
Torstar B	21⅞	—
Transalta Util	13⅞	—
TransCda Pipe	17⅞	—
Triton Finl A	10⅝	—
Trimac	8½	—
Trizec A	9¾	—
Unicorp Energy	0.50	—
Woodward's Ltd	1.90	—

TSE 300 Index : 3483.32
Previous : 3505.72

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7 Billion Francs Seen In Lyonnais Provisions

Bloomberg Business News

LONDON — Loss provisions for loans that Crédit Lyonnais made to such troubled borrowers as the Soviet Union, companies controlled by the late Robert Maxwell and MGM-Pathe Communications Corp. could exceed 7 billion French francs ($1.35 billion) for 1991, analysts said Thursday.

Crédit Lyonnais, a state-controlled bank that has been pursuing expansion into new businesses, had net new loss provisions of 3.37 billion francs in the first six months of this year, and 6.5 billion francs in all of 1990.

"They'll have to take a hit," said Sasha Serafimovski, an analyst at Morgan Stanley International in London, referring to the 1991 loan provisions. He said he has "been quite nervous" about the bank's publicly traded, nonvoting shares.

Mr. Serafimovski said he expected provisions to climb to at least 7 billion francs for 1991, including "an initial provision on MGM, a small provision on Maxwell, and quite a big increase in domestic provisions for small and medium-sized businesses" hit by the weak French economy.

Chris Davis, analyst at Barclays de Zoete Wedd Research Ltd. in London, said he expected the bank to post 1991 provisions of 6.6 billion francs this year, and he estimated that earnings fell to 3.25 billion francs.

Nevertheless, Mr. Davis maintained a favorable rating on the company's shares. The bank's exposure to bad debt this year illustrates its diversification away from simple retail banking, he said.

Mr. Serafimovski said he expected the bank to post flat earnings growth this year, after earning 3.7 billion francs in 1990.

Marie-Ange Farthouat, analyst at Ducatel Duval SA in Paris, estimated that earnings fell to 3.3 billion francs in 1991 and that provisions rose to 7.5 billion francs, based on half-year figures.

Ms. Farthouat, who rates the bank's stock an "avoid," said Crédit Lyonnais told analysts it expected flat earnings for this year.

Maxwell Communication Corp. is now run by court-appointed administrators forming a plan to try to operate the company, as is Robert Maxwell Group, which owns 51 percent of Mirror Group Newspapers.

The French bank's Crédit Lyonnais Bank Nederland NV unit this week took control of MGM-Pathe, the U.S. movie studio. The takeover came after a Delaware court ruled that Giancarlo Parretti, the Italian financier, reneged on an agreement with Crédit Lyonnais.

Mr. Parretti bought MGM-UA Communications in November 1990 from Kirk Kerkorian for $1.3 billion, and renamed it MGM-Pathe Communications. Crédit Lyonnais has made around $888 million of loans to the Italian financier, analysts said.

Analysts said they believed Crédit Lyonnais lent from 1.0 billion to 1.5 billion francs to publicly traded Maxwell companies and 200 million francs to his private companies. They said it also lent about 4.4 billion francs to the Soviet Union.

Open and Shut Case of Trade Paradox

By Alan Wheatley
Reuters

PARIS — As the former Soviet Union risks social unrest by abruptly abolishing most price subsidies, rich industrial nations are giving a cold shoulder to free markets by refusing to dismantle the trade barriers hobbling a sickly global economy.

Members of the General Agreement on Tariffs and Trade are to meet in Geneva on Jan. 13 amid pessimism about the chances of wrapping up the 5-year-old Uruguay Round of trade talks.

Foreign Minister João de Deus Pinheiro of Portugal said he was gloomy about a quick breakthrough after the rejection last week by European Community trade ministers of a text proposed by Arthur Dunkel, the GATT director-general.

Mr. Pinheiro, whose country has just taken over the rotating EC presidency, told the Belgian daily Le Soir that the Jan. 13 meeting "has little chance of achieving definitive results."

Even if a compromise is reached, many observers said it might not fully reverse the trend of creeping protectionism.

Technical controls, voluntary export restraints, anti-dumping actions and other barriers quietly proliferated in the 1980s, with only four of the 24 industrialized countries in the Organization for Economic Cooperation and Development ending the decade with more liberal trade rules than at the start.

NEWS ANALYSIS

Japan's resurgent trade surplus is even calling into question in the United States the lip service that most politicians traditionally pay to free trade.

Commerce Secretary Robert A. Mosbacher of the United States said over the weekend that curbing Japanese auto sales in the United States was an option if Tokyo did not reduce the $41 billion surplus in its favor.

To the erstwhile communist countries, benighted by 40 years of central planning, such a warning must sound like a threat to kill the goose that laid the golden egg. Desperate to make up lost time, they are rushing to embrace capitalism and the free trade that has underpinned the boom in Western living standards since World War II.

The paradox that formerly communist countries are hurtling towards market mechanisms just when rich industrial states are balking at free trade is not lost on David Henderson, chief economist at the OECD.

Mr. Henderson, an advocate of free trade, said he was struck to learn domestic producers in Poland and Czechoslovakia are now less protected from outside competition than their counterparts in most OECD countries.

"In these matters the rest of the world, or large parts of it, is moving faster than the OECD countries," Mr. Henderson said recently when presenting the agency's latest economic outlook.

Much of Latin America, led by Chile and Mexico, is also putting its faith in free markets.

As Mr. Henderson noted, the role reversal is remarkable.

"For the first time in economic history, the main impulse to trade liberalization is now coming not from the industrial countries, which profess to accept liberal norms, but from countries whose past tradition has been to question or reject them," he said.

Potential prosperity gains accruing from liberalized trade and investment rules are substantial, but they will require wide-ranging market-oriented reforms, Mr. Henderson said.

While the need for action is most evident in the ex-Communist bloc, he said OECD countries also had an extensive network of discriminatory trade practices to unravel, including barriers to imports from Eastern Europe.

The domestic political risk for West European leaders of flinging open markets could be high. But, with stability in the old Soviet bloc at stake, so are the potential gains.

"The fact is that the current and prospective costs of continued OECD protectionism, which were considerable even before the recent changes in central and Eastern Europe and elsewhere in the world, have now been substantially increased," Mr. Henderson said.

SERVICES: *U.S. Jobs Disappear*

(Continued from first finance page)

adding labor. But it is only now, when companies are under the gun, that they are really exploiting technology. While much of the hardware did not pay off in the past, managers are now learning to use it.

In retailing, the same headquarters staff can service nearly twice as many stores as a decade ago, in part thanks to point-of-sale computer systems that let marketing managers stay on top of sales and inventory trends.

Despite their financial squeeze, services-company executives hope to take advantage of better technology to get them out of their current bind. The latest government survey of capital spending plans shows that services companies, which barely cut back on spending on computers and the like during the recession, plan to increase outlays.

Increased competition. Challenges have come in many guises. Deregulation of airlines, financial services, telecommunications and cable television have opened the door to price cutting, invading of neighboring markets and wiry new entrants. "Restructuring is largely due to increased competition," said James Brian Quinn, a professor of management at Dartmouth College.

Waiting to take advantage of these circumstances were a horde of hungry low-cost, high-quality, customer-friendly powerhouses such as American Airlines, Wal-Mart Stores Inc., State Farm, Cable News Network and Taco Bell.

Foreign competition has also surged, with strong global competitors arising in construction, shipping, travel and half a dozen other services.

STOCKS: *Optimism Is Tempered by Uncertain Outlook for Economies*

(Continued from first finance page)

sumptions, but that central case is more uncertain than it is normally," he said.

Because of the uncertainty, Mr. Rigden has just revised his recommendations for client portfolios, shifting money from equities to bonds. He has moved to a 50 percent investment in equities, below his normal or neutral level, from 65 percent. And he has jumped to an aggressive 40 percent in bonds, from 25 percent, with the remaining 10 percent in cash.

"I would rather get, with a pretty high degree of confidence, the 15 percent in bonds than the 20 to 25 percent in equities, with all the uncertainty," he said.

One of the uncertainties, he said, is corporate profits. While he expects them to grow this year, he acknowledges that forecasters have gotten profit forecasts wrong the last two years.

Mr. Harris of Lombard Odier said declining inflation and falling interest rates would give equities a lift this year.

He also argued that falling rates would provide stock markets a sort of safety net, because there would be fewer attractive alternatives for investors as returns on fixed-income investments continued to drop.

"Sometime during the year people are going to think that things are good rather than bad," he said. "And then, at some point, stocks should kick in because there is so little competition to stocks these days, especially as long-term interest rates begin to fall."

But Mr. Harris is still placing his biggest bets in bonds; his funds are aggressively buying long-term bonds outside the United States.

The December increase in German interest rates makes this forecast even more likely. The rate rise should signal that rates have reached their peak.

In Europe, the biggest question is whether to buy German stocks. Mr. Rigden says yes. The stock market should rise, he said, if economic growth is slow next year, because interest rates will finally be cut and inflation will fall. But if growth continues, stocks should be helped by rising earnings.

But Goldman, Sachs expects the German market to be a below-average performer in Europe because its stocks are still overpriced and because inflation will be high this year, with growth slowing.

Many firms take a neutral or negative view on Japan. Michael Howell, chief strategist for Salomon Brothers in London, said a recent survey indicated that equity managers in Tokyo did not expect the stock market to be higher a year from now.

But Mr. King of Counsellors International said the decline in the market since 1990 had made it more attractive and that it should get some impetus from Japanese interest-rate cuts.

DOLLAR: *Some See Further Declines Preceding a Modest Recovery*

(Continued from first finance page)

European currencies," said Neal M. Soss, chief economist at First Boston Corp. in New York. "The United States will ease more, and so will the Japanese. But in Europe, they cannot ease until the Germans are ready. But the economic-performance arguments tilt either in favor of the United States or Japan. These variables frame the values next year."

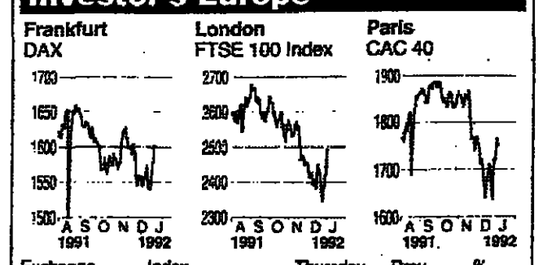
John Lipsky, director of international bond research at Salomon Brothers in London, said the key for dollar forecasters was to decide whether the U.S. economy "faces some serious structural problems that will push it into a new decline or whether the traditional tools of monetary and fiscal policy will ultimately restore growth in the relatively near future, albeit it at a modest pace."

Salomon's position, he said, was that the traditional tools would work and that there would be a moderate recovery that would give the dollar a lift, possibly pushing it to 1.60 DM by the end of 1992.

But Mr. Lipsky said that before there were sure signs of recovery, confidence could erode enough to push the dollar to record lows. Against the mark, the dollar hit a postwar low of 1.4475 last Feb. 11. But, he added, the Christmas rate cut by the Fed could make new lows a little less likely.

—JONATHAN FUERBRINGER

Investor's Europe



Exchange	Index	Thursday Close	Prev. Close	% Change
Amsterdam	CBS Trend	N.A.	88.70	-
Brussels	Stock Index	5,525.05	5,481.43	+0.80
Frankfurt	DAX	1,601.88	1,577.98	+1.51
Frankfurt	FAZ	651.92	640.31	+1.81
Helsinki	HEX	779.70	781.80	-0.27
London	Financial Times 30	1,886.00	1,891.30	-0.28
London	FTSE 100	2,492.80	2,493.10	-0.01
Madrid	General Index	238.93	242.11	-1.31
Milan	MIB	981.00	982.00	-0.10
Paris	CAC 40	1,749.91	1,765.66	-0.89
Stockholm	Affarsvarlden	857.51	859.12	-0.18
Vienna	Stock Index	416.70	418.98	-0.54
Zurich	SBS	Closed	595.00	-

Sources: Reuters, AFP International Herald Tribune

Very briefly:

- **Ferranti International PLC** said its U.S. unit, **Healthcare Systems**, filed for protection under Chapter 11 of the U.S. bankruptcy code.
- **Sweden's** new car sales fell 18.3 percent in 1991, to 187,739 units, the Swedish automobile industry federation announced.
- **Norway's** unemployment rate rose to 5 percent in December, from 4.6 percent in November, the Labor Directorate said.
- **Alm. Brand** of Denmark said it had acquired the share capital of **Barclays Danmark A/S** for an undisclosed sum.
- **Conoco** hopes to win 8 to 10 percent of the Czechoslovak gas market through leasing and cooperation deals, a Czechoslovak newspaper said.
- **Société Commerciale d'Adour** of France said it entered a joint venture with Thailand Fishery Cold Storage Co. to treat fresh shrimp.
- **France's** ports were paralyzed by a 48-hour strike that began Thursday, the fourth stoppage since November over planned job cuts.
- **The Netherlands'** exports of flowers and potplants rose 9.5 percent to 6 billion guilders ($3.5 billion) last year, the growers association said.

Reuters, AFP, AP

Daiwa Beats Nomura in Euroyen

Bloomberg Business News

LONDON — A late burst of new business enabled Daiwa Securities Co. to knock Nomura Securities Co. off the top slot in the yen Eurobond underwriting tables for 1991, according to figures published by Euromoney Publications.

Daiwa underwrote 1.326 trillion yen ($10.59 billion) of new bonds in 1991, 45 billion yen more than Nomura. Between Dec. 27 and Dec. 31, Daiwa underwrote 105 billion yen of new bonds, against 70 billion from Nomura.

Daiwa's total accounted for 28.7 percent of the Euroyen market, followed by Nomura with 1.282 trillion yen or 27.8 percent. Nikko Securities Co. was third with 655 billion yen underwritten, or 14.2 percent of the market.

NASDAQ

Thursday's Prices

NASDAQ prices as of 4 p.m. New York time. This list compiled by the AP, consists of the 1,000 most traded securities in terms of dollar value. It is updated twice a year.

هكذا من الأصل

Analysts See Further Gains in U.S. Bonds

By Kenneth N. Gilpin
New York Times Service

NEW YORK — Credit-market analysts and economists say the precipitous decline in short-term interest rates engineered by the Federal Reserve Board over the last 18 months should begin to pay some dividends for the economy in the second half of this year.

Few of them, however, said they expected much more than a tepid rebound. If they are right, short-term rates will stay low, and bond yields, which remained stubbornly high through much of 1991, probably will fall.

But economic recovery, these people acknowledge, has been widely seen as being just six months away for the last three years. And there are enough uncertainties to jeopardize even a modest improvement.

Nevertheless, guarded optimism prevails.

"The prospects for the economy are much better, because rates are down and we have already been through a lot," said Edward J. Hyman, president of International Strategy & Investment, a New York investment advisor.

Inflation, the scourge of the fixed-income market, has fallen nicely over the last year and is showing few signs of reviving. And while the worry of rising unemployment continues, the pall of an impending war does not.

Since July 1990, the Fed has lowered its target for the overnight rate on interbank loans in the federal funds market by 4.25 percentage points, to 4 percent. In response, other short-term rates have fallen and now stand at levels not seen since the late 1960s, when inflation was tame and U.S. budget deficits were not a problem.

That short-term rates have fallen so far has been a big surprise to many analysts. So, too, is the fact that the rate moves have not yet rekindled economic growth.

But given the problems in the U.S. financial system — difficulties that have transformed what might otherwise have been a traditional recession into something altogether different — economists shudder to think what might have happened had short-term rates not come down.

"We added up about $2 trillion in floating-rate debt" during the 1980s, said Neal M. Soss, chief economist at First Boston Corp., adding: "Every percentage point drop in short rates frees up $20 billion in cash flow to households and businesses. This economy would have collapsed without that sort of support."

Compared with the drop that has already taken place, further declines in short-term rates will be minimal, analysts agreed. Still, if the economy performs as poorly as is currently expected in the first quarter, the central bank is likely to feel compelled to cut the federal funds rate by at least another quarter of a point.

"Bond yields at 7 percent could be possible any time during the first half of the year," said Edward Yardeni, C.J. Lawrence Inc.'s chief economist. "Inflation over the next year should be between 2 percent and 3 percent, which makes bonds look very attractive."

Bond yields have fallen sharply since the Fed lowered its discount rate by a percentage point last month. The rate on Fed loans to banks is now 3.5 percent, while 30-year bonds are yielding about 7.5 percent.

But analysts fear the rally will end, and the recovery will be delayed if not derailed, should the government concoct a wildly stimulative package of tax cuts by spring.

Other risks to the recovery, analysts said, include the possibility of a protracted economic downturn in Europe, especially Germany, and a failure by Japan to stimulate its economy. If one or both occur, American exporters will suffer.

For the bond market, however, the biggest risk is that the widely held view of a tepid recovery is dead wrong.

"The risk is that the traditional business cycle is not dead," Mr. Yardeni said, "and that even as economists conclude that rates will stay low for quite some time, a major turnaround in the economy occurs, causing rates to come roaring back."

NYSE

Thursday's Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. *Via The Associated Press*

(Continued)

12 Month High	Low	Stock	Div	Yld	PE	Sls 100s	High	Low	4 P.M.	Ch'ge
[illegible]										

AMEX

Thursday's Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. *Via The Associated Press*

12 Month High	Low	Stock	Div	Yld	PE	Sls 100s	High	Low	4 P.M.	Ch'ge
[illegible]										

Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend amounting to 25 percent or more has been paid, the year's high-low range and dividend are shown for the new stock only. Unless otherwise noted, rates of dividends are annual disbursements based on the latest declaration.
a — dividend also extra(s).
b — annual rate of dividend plus stock dividend.
c — liquidating dividend.
cld — called.
d — new yearly low.
e — dividend declared or paid in preceding 12 months.
g — dividend in Canadian funds, subject to 15% non-residence tax.
i — dividend declared after split-up or stock dividend.
j — dividend paid this year, omitted, deferred, or no action taken at latest dividend meeting.
k — dividend declared or paid this year, an accumulative issue with dividends in arrears.
n — new issue in the past 52 weeks. The high-low range begins with the start of trading.
nd — next day delivery.
P/E — price-earnings ratio.
r — dividend declared or paid in preceding 12 months, plus stock dividend.
s — stock split. Dividend begins with date of split.
sls — sales.
t — dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date.
u — new yearly high.
v — trading halted.
vi — in bankruptcy or receivership or being reorganized under the Bankruptcy Act, or securities assumed by such companies.
wd — when distributed.
wi — when issued.
ww — with warrants.
x — ex-dividend or ex-rights.
xdis — ex-distribution.
xw — without warrants.
y — ex-dividend and sales in full.
yld — yield.
z — sales in full.

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Unpeg Dollar, Say Some in Hong Kong

Reuters

HONG KONG — A number of economists in Hong Kong want the government to end the local dollar's peg to the U.S. dollar, saying that with inflation in double digits, it is self-defeating for the colony to have to cut interest rates to keep the currencies in line.

Hongkong & Shanghai Banking Corp. and Standard Chartered Bank are expected to cut prime and deposit rates when the Association of Banks meets Friday, economists say.

Benjamin Chan, chief economist of Bank of East Asia, said Hong Kong had put itself at the mercy of U.S. economic policy by sacrificing its monetary autonomy.

"If you look elsewhere in the world, you will discover that the most powerful instrument in tackling inflation is monetary policy," he said. "According to the economic facts we've got to change our exchange-rate policy to tackle inflation."

Most economists expect the Hong Kong banks to cut their prime rate by half a percentage point to 8 percent.

This follows the Federal Reserve's cut in its discount rate by a full point to 3.5 percent just before Christmas. That forced U.S. banks to cut their prime rates to 6.5.

The government halted the Hong Kong dollar's free float by pegging it at 7.8 to the U.S. dollar in 1983, after the local currency plunged because of worries about the colony's future under Chinese rule after 1997.

In pegging the dollar, Hong Kong committed local interest rates to tracking those in the United States.

So while the economy is expected to have grown a relatively robust 4 percent in 1991 and annual inflation was stubbornly high at 11 percent in November, Hong Kong has been forced to follow a monetary policy set in Washington. The United States, by contrast, has few inflation problems but serious concerns about recession.

Concerned at maintaining Hong Kong's stability at all costs ahead of 1997, the government says the peg's drawbacks are an acceptable price to pay.

"I think it is a very important element of stability within our economy," said David Nendick, the secretary for monetary affairs. "There are so many other uncertainties with which we have to live whether we like it or not because we are so externally oriented," he said at a recent news conference.

But some economists say that inflation, which has fallen painfully slowly from a 10-year high of 13.9 percent last March, is a danger equal to or greater than instability.

"Inflation is a plague equal in seriousness to AIDS," said Marc Faber, a free-lance economist. "Once the virus enters the system, it is very difficult to get rid of it."

Even the government says inflation will continue to fall only very slowly. The start of heavy spending on a 98 billion Hong Kong dollar ($12.6 billion) airport project this year is bound to stoke the inflationary furnace.

Mr. Faber wants a return to the free float, while Bank of East Asia's Mr. Chan proposes setting the local dollar against a basket of currencies including the dollar, yen and mark. That is how the Singapore and Taiwan currencies are pegged.

Mr. Nendick noted that while domestic inflation remained a problem, exporters had kept their price rises far lower and remained competitive. This had been achieved largely by moving production to southern China to escape soaring land and labor costs at home.

But Mr. Chan said competitive exports were not enough. Inflation put Hong Kong at a disadvantage against regional competitors such as Singapore, where the rate is much lower, he said.

"Hong Kong is not just a trading center," he said. "It is also a commercial center so when overseas investors come to Hong Kong and pay very high rentals, wages and living costs, Hong Kong's role as a major world financial center will be undermined."

Air Route Woes

Agence France-Presse

HONG KONG — Cathay Pacific Airways, Hong Kong's flag carrier, has projected possible losses of 63 million Hong Kong dollars ($8.1 million) on its Los Angeles service in 1992, it was reported Thursday.

The figure was contained in a document sent by Cathay Pacific to the Hong Kong government. The document argued against issuing a license to a rival, Air Hong Kong, for a direct freight service to Los Angeles.

A Cathay spokesman, David Bell, said the message was that if Air Hong Kong got the license, "it will be difficult for either of the carriers to operate profitably."

In the document, reported the South China Morning Post, Cathay projected the loss would incur as a result of the termination of its joint operation with American Airlines on the route. Cathay said the losses sustained had forced its U.S. partner to pull out.

The Hong Kong carrier refused to reveal details of losses in 1991.

Expectations Are Low As Seoul Opens Bourse

Compiled by Our Staff From Dispatches

SEOUL — South Korea will finally throw open its stock market to limited direct foreign investment on Friday, but the sorry state of the market itself and the gloomy outlook for South Korea's economy have dampened expectations.

High interest rates, a yawning trade deficit expected to top $10 billion in 1991 and a depreciating won bode ill for the earnings prospects of companies listed on the last major Asian exchange to embrace liberalization.

"But all these negative factors pale into insignificance beside the main reason for foreign-investor apathy" — the complicated requirements for foreign investors, said Philip Smiley, general manager of Jardine Fleming Securities.

Overseas investors are required to appoint a standing proxy, apply for an identity card, provide a certificate of incorporation, annual report and company organization chart and sign an entrustment deed.

Then they must open a brokerage account, appoint a foreign-exchange bank and a custodian and apply for an entrustment guarantee deposit enabling them to buy stocks on credit.

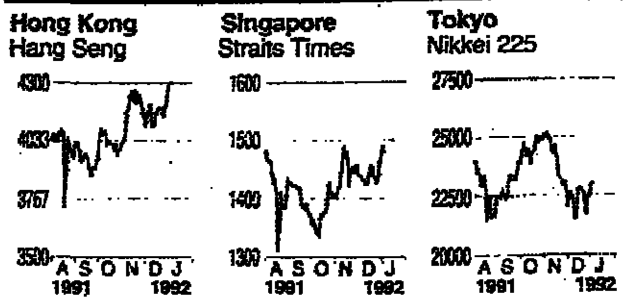
"An inflow of approximately two to three trillion won ($2.6 billion to $4.0 billion) of foreign capital is expected to flow into the local bourse during the initial stage of market liberalization," Lucky Securities said in a report.

More pessimistic brokers said they expected no more than $1 billion to flow in during the first year. In a market capitalized at around $100 billion, such a sum would have only a limited impact.

A total 565 foreign investors from 21 nations have registered to invest, with nearly half of them from Taiwan, a Finance Ministry official was quoted as saying by Yonhap news agency. Of the 421 individual and 144 corporate registrants, 221 were from Taiwan, 104 American, 90 from Britain, 55 from Japan and 12 from Hong Kong.

(Reuters, AFP)

Investor's Asia



Exchange	Index	Thursday Close	Prev. Close	% Change
Hong Kong	Hang Seng	4,301.78	4,297.33	+0.10
Singapore	Straits Times	1,479.35	1,490.70	-0.76
Sydney	All Ordinaries	1,647.90	1,651.40	-0.21
Tokyo	Nikkei 225	Closed	22,983.77	-
Kuala Lumpur	Composite	552.16	556.22	-0.73
Bangkok	SET	712.02	711.36	+0.09
Seoul	Composite Stock	Closed	610.92	-
Taipei	Weighted Price	Closed	4,600.67	-
Manila	Composite	Closed	1,151.87	-
Jakarta	Stock Index	246.95	247.32	-0.15
New Zealand	NZSE-40	Closed	1,504.78	-
Bombay	National Index	917.65	905.17	+1.38

Sources: Reuters, AFP — International Herald Tribune

Japan to Aid Vietnam

Compiled by Our Staff From Dispatches

HANOI — Vietnam said Thursday that Japan would end a 14-year suspension of development aid and provide almost 4 billion yen ($31.9 million) in the fiscal year that begins April 1.

The government-controlled Vietnam News Agency quoted Foreign Ministry officials in Tokyo as revealing the resumption of aid, which was halted following the Vietnamese invasion of Cambodia in 1978. Japanese officials were unavailable to comment on the report.

The Vietnamese agency added that Japan would also resume aid to Cambodia. Warring Cambodian factions signed a peace treaty on Oct. 23, clearing the way for Tokyo to resume aid to Vietnam, which had withdrawn its troops from Cambodia a year earlier.

At least 80 percent of Vietnam's crude oil is shipped to Japan. A joint venture with the Soviet Union, Vietsovpetro, was reported Thursday to have produced 3.95 million metric tons of crude oil, generating $580 million in export earnings, about one-third of the country's total overseas sales. It also produced 19 million cubic meters (665 million cubic feet) of natural gas, 12 percent over target.

Separately, the Nhan Dan Communist Party newspaper said the first shareholder-owned commercial bank in Vietnam was founded last month in Ho Chi Minh City. The Saigon Commercial Shareholders Bank was set up with capital of 4.6 billion dong ($368,000). All the shareholders were said to be business executives. *(AFP, AP, Reuters)*

Very briefly:

- **Taiwan's** two-way trade rose 14 percent to $139 billion last year, making the island the world's 15th-largest trader, with $76 billion-worth of exports and a $13 billion surplus.
- **South Korea's** customs-cleared trade deficit doubled to $9.66 billion in 1991, from $4.73 billion in 1990, according to preliminary Trade Ministry figures quoted by Korea Broadcasting System.
- **Saudi Arabia** projected a 1992 budget deficit of 30 billion riyals ($8 billion), against 25 billion in 1991, with government spending up 26.6 percent at 181 billion riyals and revenue up 28 percent at 151 billion.
- **The Asian Development Bank** lowered the interest rate on its ordinary loans to 6.58 percent a year from 6.61 percent, in a regular semiannual adjustment based on the average cost of its borrowings.
- **Kuala Lumpur Stock Exchange**-listed companies in 1991 enjoyed a 39 percent increase in pretax profits, which rose to a total of 8.9 billion ringgit ($3.26 billion).
- **The Stock Exchange of Thailand** was disrupted by a computer breakdown that reduced trading volume by about half, to 1.63 billion baht ($65 million), brokers said.
- **The Tokyo Stock Exchange** and foreign-exchange market were closed Thursday for the New Year holiday. Markets will reopen Monday.
- **Singapore's Finance Ministry** said the agreement to avoid double taxation signed with West Germany in 1972 had been extended to cover united Germany.

Reuters, AFP, AFX

INRO Stays Out of Market as Rubber Prices Fall

Compiled by Our Staff From Dispatches

KUALA LUMPUR — The International Natural Rubber Organization said Thursday that it was staying out of regional markets despite a plunge in rubber prices below the level that makes intervention mandatory.

The INRO buffer-stock manager, Aldo Hofmeister, said he would give the markets a break before stemming the slide in prices, which he described as close to bottoming out.

The fall below the group's must-buy level was only the second since 1985, traders said. Analysts said the short-term market outlook, clouded by poor demand, remained bearish and prices could slump further unless the organization, which represents both producers and consumers, stepped in aggressively.

Some dealers said the buffer-stock manager seemed to have favored the consumers by waiting too long to intervene.

"Instead of coming in as soon as prices fell below the may-buy level, he waited too long," said a Singapore dealer. "And by the time he came in to purchase, the damage had been done. He could not hold the market and now prices have fallen below the must-buy level."

Mr. Hofmeister said he did not buy rubber as he was not ready, but stressed that he had sufficient funds. "Conceivably, I may step in tomorrow," he said. "We have got the money. We can enter the market but we are not going to use the resources in one day."

INRO has asked for an extra 100 million ringgit ($37 million) in cash from member countries to finance further rubber buying.

Under INRO rules, the buffer stock manager defends the lower, must-buy — or trigger — price by buying rubber until the market indicator price goes back above the must-buy price.

Rubber prices have failed to rebound despite INRO's week-long intervention starting Dec. 13. The price of international ribbed smoked sheet 1 has declined to 212.00 Malaysian cents per kilogram from 214.50 cents two weeks ago.

(Reuters, AFP)

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INTERNATIONAL FUNDS — Jan. 2, 1992

Quotations supplied by funds listed. Net asset value quotations are supplied by the Funds listed with the exception of some quotes based on issue price.
The marginal symbols indicate frequency of quotations supplied: d – daily; w – weekly; b – bi-monthly; r – regularly; t – twice weekly; m – monthly

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w Abacus Fund Ltd $ 5.87
b Abacus Guart.Fd. Mar 94 $ 8.93
b Abacus Guart.Fd. July 95 $ 9.37
ABC INVESTMENT & SERVICES CO (E.C.)
m ABC Futures Fund Ltd $ 109.56
ABN AMRO BANK, P.O. Box 669, Amsterdam
w ABN AMRO Aandelenfonds Fl 78.21
w ABN AMRO America-Fd $ 39.85
w ABN-Beleggingsfds Ned. Fl 59.76
w Aldollar $ 26.40
w Alrenta Fl 189.30
w Asian Tigers Fund $ 33.49
w Columbia Securities Fl 114.82
w LDC Risk Inv. Fund $ 1290.90
w Trans Europe Fund $ $ 44.27
w Trans Europe Fund Fl Fl 73.45
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m Alpha Worthington $ 97.79
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b Opportunities $ 896.45
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b Prifirst $ 519.05
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b Star Convert. Fd Fl Fl 11884.00
b Star Convert. Fd US$ $ 105.36
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m Galaxy Futures Fund Ltd $ 110.09
m Dual Futures Fd Cl A Units $ 114.78
m Dual Futures Fd Cl B Units $ 113.94
m Dual Futures Fd Cl C Units $ 107.18
m Dual Futures Fd Cl D Units $ 110.38
m Maxima Fut. Fd Ser. 1 Cl. A $ 104.48
m Maxima Fut. Fd Ser. 1 Cl. B $ 106.07
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w Pacific Gold $ 11.28
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w Manila Fund $ 8.85
w Malacca Fund $ 11.70
w The Siam Fund $ 22.38
d Indosuez Hong Kong Fund $ 22.630
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w North American Fund $ 37.543
d Singap & Malay Trust $ 13.910
w Pacific Trust HK$ 21.725
d Tasman Fund $ 4.670
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d Worldwide Growth Fund $ 9.73
BANQUE PRIVEE E. DE ROTHSCHILD
w Daiwa Capital Eq. Fund $ 936.93
w Daiwa LCF Rothschild $ 1080.95
w Ecu d'Or Ecu 63.81
b Source Sicav $ 13.83
BANQUE SCANDINAVE A LUXEMBOURG
w Universal Eurosec ECU Ecu 94.48
w Universal Finasec Global FM 119.73
w Universal Intelbond FRF A FF 108.18
w Universal Intelbond FRF B FF 116.19
w Universal Intelbond USD A $ 17.35
w Universal Intelbond USD B $ 18.05
w Universal Intelsec USD A $ 14.87
w Universal Intelsec USD B $ 15.83
BANQUE SCANDINAVE EN SUISSE-GENEVA
w Intelbond Chf SF 78.72
w Intelsec Chf SF 138.96
w Swissfund Chf SF 96.97
BDD ASSET MGMT (LUXEMBOURG) S.A.
w BDD Inv. Fund-Ecu Bonds Ecu 5711.69
w BDD Inv. Fund-Ecu Cash Ecu 5068.07
w BDD Inv. Fund-US$ Bonds $ 5818.47
w BDD Inv. Fund-US$ Cash $ 5005.54
BEARBULL
w BB Forex Ltd $ 1268.74
w BB Futures Ltd $ 1153.96
w BB Global Ltd BEF BF 1214.00
w BB Global Ltd CHF SF 11.45
w BB Global Ltd FRF FF 101.57
BNP LUXEMBOURG
w Interecu Fund A Ecu 295.18
w Interecu Fund B Ecu 1138.17
INTER CASH
f France Monetaire FF 12278.31
f France Securite FF 14399.22
f Inter Cash DM DM 2316.56
f Inter Cash Ecu Ecu 1575.88
f Inter Cash GBP £ 1263.57
f Inter Cash USD $ 1159.74
f Inter Cash Yen Y 156204.00
INTER OPTIMUM
w Interbond US$ $ 248.35
w BEF/LUF BF 82440.00
w Multidevises DM DM 2330.15
w US$ $ 1184.37
w FRF FF 12189.84
INTER STRATEGIE
w Australie A$ 1026
w France FF 9305.58
w Europe du Nord $ 942.38
w Europe du Centre $ 1065.57
w Europe du Sud Ecu 843.58
w Japon Y 123821.00
w Amerique du Nord $ 1222.88
w Sud-Est Asiatique $ 863.28
BROADGATE INTERNATIONAL FUND
d $ Money Market $ 14.87
d Non - $ Money Market DM 26.14
d $ Bond $ 14.25
d Non - $ Bond DM 34.59
d Global Equity $ 18.87
d Global Bond $ 17.66
d Global Bond & Equity $ 14.25
d Prec. Mets / Min. Secs $ 5.21
d Pacific Equities $ 11.28
d European Equities $ 9.78
CAISSE CENTRALE DES BANQUES POP.
d Fructilux Oblig. Fses FF 6940.27
d Fructilux Oblig. Euro Ecu 1274.59
d Fructilux Court Terme FF 7063.10
d Fructilux Actions Fses FF 6402.33
w Fructilux Actions Euro Ecu 1100.45
CALLANDER
w Callander Emer. Growth $ 138.87
w Callander F-Asset $ 99.72
w Callander F-Austrian AS 1108.25
w Callander F-Spanish Pta 6918.00
w Callander F-US Health Care $ 100.04
w Callander Swiss Growth SF 114.66
CAPITAL INTERNATIONAL
w Capital Int'l Fund $ 108.35
w Capital Italia SA $ 37.74
CDC INTERNATIONAL
w CFI Court Terme FF 149223.46
w CFI Long Terme FF 127322.82
CIC GROUP
d Oblicic Court Terme FF 13873.93
d Oblicic Mondiale FF 13819.93
CITICORP INVESTMENT BANK (Lux)
POB 1373 Luxembourg Tel. 477 95 71
d Citinvest Guardian Euro Ecu 1203.22
d Citinvest Mngd Growth $ 1243.18
d Citinvest Mngd Grth Euro Ecu 1086.02
d Citinvest Selector $ 1022.51
d Citicurrencies US$ $ 1522.08
d Citicurrencies Managed $ 136.74
d Citicurrencies STG £ 128.86
d Citicurrencies DEM DM 128.56
d Citicurrencies Yen Y 11502.80
d Citiport N.A. Equity $ 221.80
d Citiport Japan Equity Y 5403.00
d Citiport UK Equity £ 112.39
d Citiport IAPEC $ 147.39
d Citiport Cont. Euro. Equity Ecu 123.61
d Citiport Eamec $ 91.88
d Citiport German DM 74.23
d Citiport Swiss SF 83.84
d Citiport French Equity FF 1712.94
d Citiport Australian Equity A$ 99.16
d Citiport N.A. $ Bond $ 143.25
d Citiport Euro Bond Ecu 122.92
d Citiport Pacific Bond Y 13266.00
d Citiport Austr. Dollar Bond A$ 103.36
CITITRUST
w US $ Equities $ 239.27659
w US $ Bonds $ 15.11173
w US $ Money Market $ 14.45960
w Citiland $ 1019.47935
w Citiperformance Pftl A $ 9.71076
w Citiperformance Pftl B $ 9.91120
m The Good Earth Fund $ 14.88665
COMPASS INTL HOLDINGS Ltd.
POB 455, Jersey 0534 27267
w Bond : Dollar Med. Term $ 10.50
w Bond : Ecu Multicurr. Ecu 10.94
w Equity : United Kingdom £ 7.52
CRAGNOTTI & PARTNERS
w C & P Futures I Fund $ 1063.66
w C & P Diversified Fund $ 1030.24
CREDIT AGRICOLE : MOSAIS
d Actions Int'l Diversifiees FF 102.43
d Actions Nord-Americaines $ 19.78
d Actions Japonaises Y 1853.73
d Actions Anglaises £ 11.37
d Actions Allemandes DM 31.21
d Actions Francaises FF 103.41
d Actions Esp. & Port. Pta 2334.48
d Actions Italiennes Lit 25813.53
d Actions Bassin Med. Ecu 16.45
d Actions Bassin Pacifique $ 15.90
d Actions Europeennes Ecu 15.84
d Actions Agro-Aliment. FF 111.47
d Actions Sect. Comm. FF 91.47
d Oblig Int'l Diversifiees FF 118.89
d Oblig Nord-Americaines $ 17.64
d Oblig Japonaises Y 2218.92
d Oblig Anglaises £ 11.32
d Oblig Allemandes DM 32.64
d Oblig Francaises FF 128.92
d Oblig Esp. & Port. Pta 2330.22
d Oblig Italiennes Lit 27935.73
d Oblig Europeennes Ecu 17.79
d Oblig Haut Rendement $ 18.47
d Oblig Div Sensib Red FF 110.85
d Oblig Convert. Intern. FF 113.57
d Court Terme Ecu Ecu 17.98
d Court Terme US$ $ 16.45
d Court Terme FF FF 117.86
CREDIT COMMERCIAL de FRANCE
w CM Actibonds $ 37.08
w CM Global Growth $ 9.28
d Elysees Monetaire FF 73463.88
d Europe Prest. Fund A Ecu 8.63
d Europe Prest. Fund B Ecu 10.47
CREDIT SUISSE
d CSF Bonds SF 73.443
d Bond Valor Swf SF 92.863
d Bond Valor US - Dollar $ 115.309
d Bond Valor D - Mark DM 102.120
d Bond Valor Yen Y 9532.559
d Bond Valor £ Sterling £ 93.761
d Convert Valor Swf SF 133.562
d Convert Valor US - Dollar $ 183.298
d CSF International SF 121.494
d Actions Suisses SF 523.783
d Europa - Valor SF 201.371
d Energie - Valor SF 131.873
d Canasec SF 481.977
d Ussec SF 444.187
d Pacific - Valor SF 124.808
d CS Gold Valor $ 187.983
d CS Tiger Fund $ 620.225
d CS Ecu Bond A Ecu 96.738
d CS Ecu Bond B Ecu 141.690
d CS Gulden Bond A Fl 92.329
d CS Gulden Bond B Fl 122.909
d CS Hispano Iberia Fd A Pta 20846.600
d CS Hispano Iberia Fd B Pta 21424.000
d CS Euro Finance Fd A DM 178.404
d CS Euro Finance Fd B DM 198.404
d CS Prime Bond A DM 92.643
d CS Prime Bond B DM 111.644
d CS Europa Bond A DM 252.809
d CS Europa Bond B DM 304.726
d CS Fixed I SF 7% 1/96 SF 105.698
d CS Fixed I DM 8% 1/96 DM 108.496
d CS Fixed I Ecu 8 3/4% 1/96 Ecu 107.750
d CS Euro Blue Chips A DM 214.548
d CS Euro Blue Chips B DM 218.513
d CS Short-T. Bond $ A $ 102.619
d CS Short-T. Bond $ B $ 143.459
d CS Short-T. Bond DM A DM 94.610
d CS Short-T. Bond DM B DM 126.693
d CS Money Market Fd $ $ 1664.710
d CS Money Market Fd DM DM 1448.741
d CS Money Market Fd £ £ 1996.583
d CS Money Market Fd Yen Y 134516.830
d CS Money Market Fd C$ C$ 1146.643
d CS Money Market Fd Ecu Ecu 1140.889
d CS Money Market Fd SF SF 5089.890
d CS Money Market Fd HFl Fl 1019.158
d CS Money Market Fd Lit Lit 1823060.830
d CS Money Market Fd FF FF 5097.925
d CS Oeko-Protec A DM 224.436
d CS North American Fd A/B $ 208.249
d CS UK Fund A/B £ 94.372
d CS France Fund A/B FF 964.823
CSFB FUND MGMT Ltd (0481-713990)
PB122, St Peter Port, Guernsey
w Islamic Mgmt Fund Ltd $ 929.34
DIT INVESTMENT FFM
d Concentra + DM 43.08
d Int'l Rentenfond + DM 69.96
EBC TRUST CO. (Jersey) Ltd
1-3 Sele St, St Helier : 0534-36331
EBC AMRO TRADED CURRENCY FUND
d Capital $ 24.555
d Income $ 16.026
INTERNATIONAL INCOME FUND
d Long Term $ 37.0426
ECU FUTURES PLC (44 71 225 3811)
d Ecu Plc Onega Fund £ 1.17
d Eco Plc Royden Fund £ 1.26
d Info Fund $ 1.86
EQUIFLEX LIMITED
w North America A Fl 11.19
EURO PACIFIC ADVISERS Ltd
w Meteore Y 110124.00
w Pacific Horizon Invt. Fd $ 1988.14
FIDELITY INT'L INV. SERVICES (Lux)
d Balanced Pftl Hedged $ 13.32
d Balanced Pftl Unhedged $ 12.31
d Conv. Securities Pftl $ 8.47
d Discovery Fund $ 20.77
d Dollars Savings Trust $ 192.64
d Far East Fund $ 68.70
d Fid. Amer. Assets $ 180.60
m Fid. Amer. Values III Com $ 84.09
m Fid. Amer. Values IV $ 120820.00
d Fid. Australia Fund $ 17.87
d Frontier Fund $ 33.69
d Global Ind Fund $ 16.62
d Global Selection Fund $ 13.66
d International Fund $ 16.58
d New Europe Fund $ 9.94
d Orient Fund $ 108.08
d Pacific Fund $ 319.57
d Special Growth Fund $ 33.62
d World Fund $ 85.23
FOKUS BANK A.S. 472 428 555
w Scanfonds Int'l Growth Fd $ 1.51
GAIA CURRENCY FUNDS
w Gaia Hedge I $ 105.52
w Gaia Hedge II $ 238.88
w Gaia Hedge III $ 52.66
w Gaia Swiss Franc Fd SF 104.14
m Gaia Guaranteed Cl. I $ 81.15
m Gaia Guaranteed Cl. II $ 87.22
GAM ANLAGEFONDS AG.
POB 144, 8034 Zurich Tel : 41-1-2514640
d GAM (CH) Mondial SF 1250.00
d GAM (CH) Pacific SF 1829.00
d GAM (CH) America SF 1941.00
d GAM (CH) Europe SF 73.00
GAM TRADITION ANGLEFONDS AG.
d GAM Tradition SF 875.80
GARTMORE FUND MANAGERS INT.
45, La Motte Street, Jersey 0534 27301
CAPITAL STRATEGY FD Ltd
d American Fund $ 1.833
d Canadian Fund C$ 0.9163
d British Fund £ 2.454
d European Fund DM 5.877
d Eastern European Fd DM 3.579
d Asia Pacific Fund $ 2.287
d Japan Fund Y 552.8
d Australasian Fund $ 0.3630
d Global Resources Fund $ 0.7419
d Emerging Markets Fund £ 1.058
d International Growth Fd $ 3.232
d Sterling Bond Fund £ 1.076
d Ecu Bond Fund Ecu 1.0038
d International Bond Fd $ 1.351
d Global Conv. Bond Fd $ 17.48
d US Dollar Deposit $ 1.038
d Sterling Deposit £ 1.089
d French Franc Deposit FF 10.67
d Swiss Franc Deposit SF 5.288
d DM Deposit DM 5.333
d Yen Deposit Y 526.3
d Austr. Dollar Deposit A$ 1.071
GARTMORE INDOSUEZ FUNDS 31/12/91
Tel : (352) 46 54 24 470
Fax : (352) 46 54 23
BOND PORTFOLIOS
d Deutsche Mark Bond DM 5.33
d Diverbond SF 2.45
d Dollar Bond $ 2.34
d European Bond Ecu 1.09
d French Franc Bond FF 10.35
d Global Bond $ 2.30
d Sterling Bond £ 0.97
EQUITY PORTFOLIOS
d Developing Markets $ 2.54
d Europe Ecu 1.84
d France FF 9.98
d Germany DM 4.56
d International $ 2.71
d Japan Y 253.00
d Natural Resources $ 2.86
d North America $ 2.36
d Pacific $ 2.26
d Singapore/Malaysia SG$ 5.24
d Switzerland SF 2.50
d United Kingdom £ 1.12
RESERVE FUNDS
d Deutsche Mark Reserve DM 5.32
d Dollar Reserve $ 2.07
d French Franc Reserve FF 10.46
d Sterling Reserve £ 1.09
d Yen Reserve Y 271.00
GEFINOR FUNDS
London : 071-4994171, Geneva : 41-22355530
w East Investment Fund $ 808.28
w Scottish World Fund £ 195.5311
w State St. American $ 297.08
GENERALE BANK
(See also Interselex Group)
d Rentinvest 29.29
d Capital Rentinvest $ 145.11
d Rentinbel Distribution LF 18014.00
d Rentinbel Capitalization LF 12698.00
GENESEE FUND Ltd
w (B) Genesee Short $ 77.56
w (C) Genesee Opportunity $ 116.61
w (E) Genesee Balanced $ 108.03
GLOBAL ASSET MANAGEMENT
11 Athol St,Douglas,I.of Man 44-624-626037
w GAM Arbitrage Inc. $ 279.39
w GAM America Inc. $ 272.73
w GAM Australia Inc. $ 141.80
w GAM ASEAN Inc. $ 191.34
w GAM Boston Inc. $ 231.47
w GAM Selection Inc. $ 438.99
w GAM European Inc. $ 93.27
w GAM Europe Fund $ 82.96
w GAM Franc-Val Inc. SF 176.59
w GAM France Inc. FF 1494.62
w GAM Global Fund $ 172.78
w GAM High Yield Inc. $ 111.44
w GAM Hong Kong Inc. $ 262.75
w GAM International Inc. $ 147.41
w GAM Japan Inc. $ 656.99
w GAM North America $ 130.41
w GAM Money Mkts Fd $ $ 108.06
w GAM Money Mkts Fd £ £ 108.16
w GAM Money Mkts Fd SF SF 100.12
w GAM Money Mkts Fd DM DM 100.14
w GAM Money Mkts Fd Yen Y 10009.00
w GAM Mlti-Mkr Fd Inc Alloc $ 116.27
w GAM Mlti-Mkr Fd IncGenEnd $ 117.76
w GAM Mlti-Mkr Fd Trading $ 114.05
w GAM Mlti-Mkr Deferred Cl $ 111.93
w GAM Mlti-Mkr Fd Euro $ 100.05
w GAM Overseas Inc. $ 94.96
w GAM Pacific Basin Fund $ 133.93
w GAM Pacific Inc. $ 570.80
w GAM Restr. Fund Inc. $ 132.75
w GAM Singapo-Malay Inc. $ 242.48
w GAM Swiss Fr Spec Bd Fd SF 100.31
w GAM Value Inc. $ 88.89
w GAM Worldwide Inc. $ 414.79
w GAM Tyche S.A. Class A $ 262.63
w GAM Univ. Spain Inc. SF 109.17
w GAM Americana Inc. DM 104.19
w GAM Americana Acc. DM 104.19
w GAM Orient Inc. DM 93.38
w GAM Orient Acc. DM 93.38
w GAM Univ. D-Mark Acc. DM 114.09
w GAM Univ. D-Mark Inc. DM 113.48
w GAM Univ. Dollar Acc. $ 112.87
w GAM Univ. Dollar Inc. $ 110.61
w GAM U.S. Inc. $ 208.42
w GAM Whitehorn Fund Inc. $ 166.79
w GAM UT Inc. $ 508.87
w GSAM Composite Inc. $ 256.12
w GAM Bond Fd Inc. US Ord. $ 125.62
w GAM Bond Fd Inc. US Spe. $ 147.69
w GAM Bond Fd Inc. SF SF 83.43
w GAM Bond Fd Inc. Yen Y 12596.00
w GAM Bond Fd Inc. DM DM 97.13
w GAM Bond Fd Inc. £ £ 124.67
w GAM Sterling Spec. Bd Fd £ 113.44
GT MANAGEMENT PLC (44 71 220 45 67)
d G.T. ASEAN Fund $ 42.72
d G.T. Asia Fund $ 18.50
d G.T. Australia Fund $ 27.42
d G.T. Berry Japan Fund $ 26.22
w G.T. Biotech/Health Fd $ 21.98
d G.T. Bond Fund $ 18.67
d G.T. Deutschland Fund $ 12.18
d G.T. Dollar Fund $ 26.15
w G.T. Emerging Mkts Fd $ 12.42
d G.T. Euro Small Co Fd $ 32.06
d G.T. Europe Fund $ 32.85
w G.T. Global Small Co Fd $ 17.16
d G.T. Hong Kong Fund $ 36.14
d G.T. Honshu Pathfinder $ 10.69
w G.T. Investment Fund $ 16.33
w G.T. Japan OTC Stocks Fd $ 10.06
w G.T. Japan Small Co Fd $ 13.59
w G.T. Korea Fund $ 4.47
w G.T. Latin America Fd $ 16.24
w G.T. Newly Ind Countr Fd $ 28.79
r G.T. Technology Fund $ 54.83
d G.T. UK Small Companies £ 7.57
w G.T. US Small Companies $ 17.24
INTERNATIONAL ASSETS FUND
2, Bd Royal, L-2449 Luxembourg
w France A FF 671.28
w Japan B Yen 11149.00
w Diversifie C FF 519.18
w Europe Luxe D Ecu 77.87
w Europe Sud E Ecu 78.29
INTERSELEX GROUP
d Intl. America Sicav $ 19.42
d Intl. Belgo Sicav BF 2734.00
d Intl. Europa Sicav LF 5697.00
d Intl. Pacific Sicav $ 99.97
d Intl. World Distr. Sicav $ 100.80
INVESCO MIM INT'L, POB 271, Jersey
Tel: 44 534 73114
d Maximum Income Fund £ 0.9900 *
d Sterling Mngd Pftl £ 1.5850
d Pioneer Markets £ 3.0260
d UK Growth Fund £ 1.1160 *
d Gold & Precious Metals $ 0.8280 *
d Japan Dollar Perf. Fund $ 2.9040
d Jersey Gilt Fund £ 0.1832
d Okasan Global Strategy $ 17.8100 *
d Asia Super Growth $ 13.2600
d Nippon Warrant Fund $ 4.7400
d Asia Tiger Warrant $ 1.6900
d European Warrant Fund $ 1.7100
d Gtd. N.W. 1994 $ 8.5300
PREMIER SELECT FUNDS
d American Growth $ 5.2700
d American Enterprise $ 7.5700
d Asia Tiger Growth $ 5.6180
d Dollar Reserve $ 5.1280
d European Growth $ 4.4200
d European Enterprise $ 5.0400
d Global Emerging Markets $ 5.6480
d Global Growth $ 4.9800
d Nippon Enterprise $ 6.4300
d Nippon Growth $ 4.4500
d North American Warrant $ 7.8300
ITALFORTUNE INTL. FUNDS
w Class A (Aggr. Growth Ital.) $ 46.41
w Class B (Global Equity) $ 11.07
w Class C (Global Bond) $ 12.23
w Class D (Ecu Bond) Ecu 10.53
JARDINE FLEMING, GPO Box 11448 Hg Kg
d JF ASEAN Trust $ 22.50
d JF Far East Wrnt Tr. $ 9.08
d JF Glbl Conv. Tr. $ 11.75
d JF Hong Kong Trust $ 9.79
d JF Japan Sm. Co Tr. Y 53600.00
d JF Japan Trust Y 14363.00
d JF Malaysia Trust $ 9.19
d JF Pacific Inc. Tr. $ 84.13
d JF Thailand Trust $ 11.64
JOHN GOVETT MANT (I.O.M.) LTD
Tel: 44.624 - 62 94 20
w Govett Man. Futures £ 13.82
w Govett $ Gear. Curr $ 18.28
w Govett Man. Fut. US$ $
JULIUS BAER GROUP
d Baerbond SF 943.00
d Conbar SF 1581.00
d Dollar Baer Bond Fund $ 1236.00
d Emerging Europe Fund DM 95.20
d Equibaer America $ 2178.00
d Equibaer Europe SF 1489.00
d Europe Bond Fund Ecu 117.40
d SFR - BAER SF 1021.00
d Stockbar SF 1974.00
d Swissbar SF 1953.00
KIDDER, PEABODY
b Chesapeake Fund Ltd $ 1538.23
b Int'l Guaranteed Fund $ 1077.13
b Stonehenge Ltd $ 1284.51
b The Gbl Asset Alloc Fd Ltd $ 875.21
b The Krieger Curr. Fd Ltd $ 900.00
KLEINWORT BENSON SELECT FUND
d British Fund Ecu 1.86
d Emerging Asia Fund Ecu 1.57
d European Fund Ecu 1.72
d International Ecu 1.43
d Japanese Fund Ecu 1.55
d Kassalis World Fund FM 12.06
d North American Fund Ecu 2.00
d Pacific Fund Ecu 1.45
d Sicav Dollar Bond $ 1.96
d Sicav Intol Bond Ecu 1.96
d Sicav Sterling Bond £ 1.93
LATIN AMERICAN MANAGEMENT Co Ltd
Tel : London 071 628 1224
w Argentinian Invest Co Sicav $ 28.18
w Brazilian Invest Co Sicav $ 20.01
w Mexican Invest Co Sicav $ 26.70
LIPPO ASIA LIMITED
w Java Fund $ 5.72
LLOYDS BANK PLC, POB 438, Geneva 11
Deals 41-22-3073200/Inquir. 41-22-3073210
w Lloyds Int'l Dollar + $ 111.00
w Lloyds Int'l Europe + SF 178.30
w Lloyds Int'l Growth + SF 197.80
w Lloyds Int'l Income + SF 262.80
w Lloyds Int'l N. America + $ 189.90
w Lloyds Int'l Pacific + SF 155.10
MAGNUM FUTURES FUND Ltd
m Deutschemark Class DM 15.26
m Sterling Class £ 4.53
m US Dollar Class $ 7.33
MALABAR CAP MGMT (Bermuda) Ltd
m Malabar Int'l Fund $ 11.29
MAM INTERNATIONAL FUTURES
m Mint Limited - Ordinary $ 39.17
m Mint Limited - Income $ 12.97
m Mint Gtd Ltd - Spec Issue $ 21.54
m Mint Gtd Ltd - Nov 1993 $ 19.18
m Mint Gtd Ltd - Jan 1994 $ 15.63
m Mint Gtd Ltd - Dec 1994 $ 13.97
m Mint Gtd Ltd - Aug 1995 $ 11.50
m Fbme Mint Gtd Plc $ 103.53
m Mint Sp Res Ltd (BNP) $ 96.73
m Newcastle Guaranteed Ltd $ 10.34
m Alubal Mint Gtd. Fund Ltd $ 101.32
m Athena Diversified Fut $ 9.71
m Athena Guaranteed Fut $ 9.87
m Athena Guaranteed Curr $ 10.33
MERRILL LYNCH
d Dollar Assets Portfolio $ 1.00
d Iberia Portfolio $ 9.40
d Merrill Lynch Short-Term
d World Income Portfolio
d Class A $ 9.72
d Class B $ 9.72
d Prime Rate Portfolio $ 10.08
d World Nat Res Pftl Sh A $ 11.26
d World Nat Res Pftl Sh B $ 11.05
MERRILL LYNCH MLT NAT'L INV PFL
GLOBAL CURRENCY BOND SERIES
Australian Dollar Portfolio
d Category A AS 15.63
d Category B AS 15.64
Canadian Dollar Portfolio
d Category A C$ 12.47
d Category B C$ 12.45
Deutsche Mark Portfolio
d Category A DM 11.04
d Category B DM 11.03
Pound Sterling Portfolio
d Category A £ 12.56
d Category B £ 12.51
US Dollar Portfolio
d Category A $ 12.74
d Category B $ 12.77
Yen Portfolio
d Category A Y 1127.00
d Category B Y 1126.00
Multi Currency Bond Pftl
d Class A $ 19.33
d Class B $ 19.22
US Federal Securities Pftl
d Class A $ 9.88
d Class B $ 10.41
MERRILL LYNCH MLT NAT'L INV PFL
EQUITY / CONVERTIBLE SERIES
BASIC VALUE PORTFOLIO
d Class A $ 11.15
d Class B $ 10.94
CONVERTIBLE SECURITIES PTFL
d Class A $ 11.95
d Class B $ 11.80
GLOBAL EQUITY PORTFOLIO
d Class A $ 9.17
d Class B $ 8.88
EURO EQUITY PORTFOLIO
d Class A $ 10.75
d Class B $ 10.61
LATIN AMERICA PORTFOLIO
d Class A $ 10.18
d Class B $ 10.17
MULTIMANAGER N.V.
w European Curr. Bond Fd Ecu 10.95
w European Growth Fd Ecu 10.52
w Yen Bond Fund Y 1056.00
w Japanese Growth Fd Y 877.00
w Forex Fund $ 10.37
w American Growth Fd $ 10.63
m Emerging Markets Fd $ 14.16
m Futures Fd $ 9.77
NIMARBEN
w Class A $ 250.10
NMB BANK, PO 1800, 1000 BV Amsterdam
w NMB Dutch Fund Fl 42.00
w NMB Euromix Growth Fd LF 2387.00
w NMB Real Estate Fund Fl 37.80
w The Brazil Fund $ 1.5234
NOMURA INTL. (HONG KONG) Ltd
d Nomura Jakarta Fund $ 6.46
NOMURA INVEST BANKING (M.E) E.C.
d Nomura Gulf Fund $ 8.46
NORIT CURRENCY FUND
m NCF USD $ 924.71
m NCF DEM DM 932.85
m NCF CHF SF 940.97
m NCF FRF FF 4698.99
m NCF JPY Y 92501.00
m NCF BEF BF 28226.00
OBLIFLEX LIMITED
w Multicurrency $ 27.36
w Dollar Medium Term $ 20.66
w Dollar Long Term $ 17.44
w Japanese Yen Y 4032.00
w Pound Sterling £ 28.31
w Deutsche Mark DM 14.29
w Dutch Florin Fl 14.49
w HY Euro Currencies Ecu 12.31
w Swiss Franc SF 11.12
w US Dollar Short Term $ 11.66
w HY Euro Curr Divid Pay Ecu 10.27 *
w Swiss Multicurrency SF 13.76
w European Currency Ecu 17.52
w Belgian Franc BF 107.54
w Convertible $ 11.85
w French Franc FF 123.28
w Swiss Multi-Dividend SF 9.20 *
w Canadian Dollar C$ 11.29
w Dutch Florin Multi Fl 12.22
w Swiss Franc Divid Pay SF 10.07 *
w Short Term Global Income $ 1.969
w Short Term Global Divid $ 1.969
OLYMPIA Capital Intl. BVI
c/o OCM, 11 Av. Friedland 75008 PARIS
Tel: 33-1-49539038 Fax: 33-1-42567009
w Finsbury Group $ 163.27
w Olympia Securite SF SF 141.63
w Olympia Securite US$ $ 103.76
w Winch. Frontier $ 274.45
w Winch. Fut. Olympia Star $ 113.64 *
w Winch. GLSec.Inc.PL(A/B) $ 8.66
w Winch. Hldg Int'l Madison Ecu 1149.61
w Winch. Hldg Int'l Ser D Ecu 1327.85
w Winch. Hldg Int'l Ser F Ecu 1341.82
w Winch. Hldg US$ $ 16.75
w Winch. Reser. Multi. Gvbd $ 16.63
OPTIMA FUND MANAGEMENT
6 Front St. Hamilton.Bermuda(809 295-4000)
w Optima Fund $ 14.52
w Optima Futures Fund $ 11.16
w Optima Short Fund $ 9.43
PARIBAS-GROUP
d Cortexa International $ 113.99
d Europhenix Ecu 181.50
d Luxor $ 8.05
d Par US Treas. Bond Cl B $ 148.83
d Parinter Bond Fund $ 16.56
d Parinter Fund $ 227.51
w Parvest Obli-DM A DM 1249.51
w Parvest Obli-DM B DM 1497.18
w Parvest Obli-Dollar A $ 1222.70
w Parvest Obli-Dollar B $ 1573.72
d Parvest Obli-Franc A FF 1453.48
d Parvest Obli-Franc B FF 1575.34
w Parvest Obli-Gulden A Fl 994.58
w Parvest Obli-Gulden B Fl 1251.90
w Parvest Obli-Sterling £ 121.90
w Parvest Obli-Yen A Y 110084.00
w Parvest Obli-Yen B Y 133725.00
PERMAL GROUP
b Drakkar Growth $ 2591.07
b EuroMir (Ecu) Ltd Ecu 1203.86
b Media Ltd $ 1034.13
b Nascal Ltd $ 1621.47
b Uedyke Ltd $ 274.80
b Value N.V. $ 2083.14
PICTET & CIE - GROUP
d Pictet Valsuisse (CH) SF 412.20
b Eur. Opportunity (Lux) Ecu 90.52
b Eurovol (Lux) Ecu 159.41
b Global Value (Lux) Quant. Ecu 110.59
m Int'l Small Cap (IOM) $ 317.00
m Emerging Markets Fund $ 105.220
PIERSON, HELDRING & PIERSON N.V.
Rokin 55, 1012kk, Amsterdam (20-5211188)
w Asia Pac. Growth Fd N.V. $ 28.67
w Asian Selection Fd N.V. Fl 50.95
w DP Amer. Growth Fd N.V. $ 32.65
w EMS Offshore Fd N.V. Fl 98.85
w Environment Growth Fund Fl 48.61
w Eur. Growth Fund N.V. Fl 47.80
w Japan Diversified Fund $ 43.46
w Leveraged Cap Hold $ 440.83
w Tokyo Pac. Hold. N.V. $ 215.92
PRISM ASSET MANAGEMENT
(212) 332-1032 advisor to :
d Prism Futures Fd (EFF) $ 305.91
d Conqueror Fund Ltd $ 92.11
d Apex Fund Ltd $ 114.17
d Rainbow Futures Ltd $ 124.71
d Harmonic Futures Ltd $ 94.82
d Viceroy Futures Ltd $ 269.89
PUTNAM
d Emerging Hlth Sc. Trust $ 39.34
w Putnam Em. Info. Sc. Trust $ 21.17
d Putnam Glob. High Growth $ 14.76
d Putnam High Inc. GNMA Fds $ 9.66
d Putnam Int'l Fund $ 12.81
PYRFORD, SWITZ (038) 25 17 25
w Pyrford Australian A$ 95.75
w Pyrford Int'l SF 89.25
ROBECO GROUP
POB 973, Rotterdam (10-4650711)
d Robeco Fl 94.80
d Rolinco Fl 96.80
d Rorento Fl 69.90
d Rodamco Fl 57.00
d RG America Fund Fl 100.80
d RG Europe Fund Fl 92.00
d RG Pacific Fund Fl 91.50
ROTHSCHILD AST. MGT.
w Tokyo Pacific Hldgs (Sea) $ 157.55
SAFRA REPUBLIC HOLDING
w Republic (Gnsey) $ Inc Fd $ 10.58
w Republic GAM Fund $ 109.31
w Republic GAM Growth $ 103.54
w Republic GAM Pacific $ 98.25
w Republic GAM Europe Fd SF 95.58
SKANDIFOND
SKANDINAVISKA ENSKILDA BANKEN
w Equity Int'l Acc $ 14.96
w Equity Int'l Inc. $ 12.91
d Equity Global $ 1.39
w Equity Far East $ 2.71
w Equity Nat. Resources $ 0.72
w Equity Japan Y 109.00
w Equity Nordic $ 1.35
w Equity U.K. £ 1.23
w Equity Continental Europe $ 1.37
w Equity Mediterranean $ 0.99
w Equity North America $ 1.77
w Bond Int'l Acc $ 11.00
w Bond Int'l Inc. $ 7.88
w High Income Acc $ 1.54
w High Income Inc. $ 1.12
w Bond Sweden SKr 13.30
w Bond DEM DM 1.04
w Bond Dollar $ 1.25
w Enskilda Int'l Bond $ 114.98
w Multicurrency $ 1.47
SOCIETE GENERALE GROUP
d Asia Fund $ 401.17
d BTW Category A $ 14.78
d BTW Category B $ 36.41
SOGELUX FUND (SF)
w SF Bonds A U.S.A. $ 14.52
w SF Bonds B Germany DM 25.59
w SF Bonds C France FF 102.19
w SF Bonds E G.B. £ 9.94
w SF Bonds F Japan Y 1903.00
w SF Bonds G Europe Ecu 14.31
w SF Bonds H World Wide $ 15.36
w SF Bonds J Belgium BF 664.80
w SF Eq. K North America $ 14.80
w SF Eq. L W. Europe Ecu 12.54
w SF Eq. M Pacific Basin Y 1399.00
w SF Eq. N France FF 70.00
w SF Eq. P Growth Countries $ 13.52
w SF Eq. Q Gold Mines $ 11.20
w SF Eq. R World Wide $ 13.57
w SF Short Term $ France FF 138.83
w SF Short Term T Eur. Ecu 13.63
SOGELUX INDEX FUND (SIF)
w S.I.F. France Capital FF 982.13
w S.I.F. France Distrib FF 982.13
w S.I.F. GB Capital £ 117.35
w S.I.F. GB Distrib £ 117.35
w S.I.F. Japan Capital Y 12049.00
w S.I.F. Japan Distrib Y 12049.00
w S.I.F. US Capital $ 190.66
w S.I.F. US Distrib $ 190.66
w S.I.F. World Capital $ 135.72
w S.I.F. World Distrib $ 135.72
SODITIC ASSET MANAGEMENT INC.
w SAM Diversified Inc. $ 116.28
w SAM Strategy Inc. $ 98.48
m Alpha SAM Inc. $ 100.89
SVENSKA HANDELSBANKEN S.A.
146 Bd de la Petrusse, L-2330 Luxembourg
w Neptune Maritime Fund $ 6.34
b SHB Bond Fund $ 52.78
w Svenska Sel. Fd Amer Sh $ 13.82
w Svenska Sel. Fd Germany DM 8.75
d Svenska Sel. Fd Int'l Bd Sh $ 12.68
w Svenska Sel. Fd Int'l Sh $ 52.16
w Svenska Sel. Fd Japan Y 475.08
d Svenska Sel. Fd Nordic Sh $ 10.70
d Svenska Sel. Fd Pacif Sh $ 4.73
d Svenska Sel. Fd S/T Ass Sh $ 11.06
w Svenska Sel. Fd Swed Bds SKr 1169.14
w Svenska Sel. Fd Sylvia Sh Ecu 1085.42
SWISS BANK CORP. (Issue Prices)
d SBC 100 Index Fund SF 1076.00
d SBC Bond Portfolio - C$ C$ 108.04
d SBC Bond Portfolio - Ecu Ecu 103.33
d SBC Bond Portfolio - FF FF 519.23
d SBC DM Short A/B DM 1112.12
d SBC Euro Stock Ecu 153.00
d SBC Global Ecu Growth Ecu 985.31
d SBC Global Ecu Yield Ecu 1003.19
d SBC Global SF Growth SF 978.32
d SBC Global SF Yield SF 997.34
d SBC Global US$ Growth $ 1029.61
d SBC Global US$ Yield $ 1042.89
d SBC MMF - £ £ 2404.11
d SBC MMF - C$ C$ 4155.54
d SBC MMF - DFl Fl 6257.64
d SBC MMF - Ecu Ecu 3116.37
d SBC MMF - FF FF 20891.92
d SBC MMF - Lit Lit 4210570.00
d SBC MMF - SF SF 5104.70
d SBC MMF - US - Dollar $ 6740.33
d SBC MMF - Yen Y 556768.00
d SBC Str Bond A SF 1034.10
d SBC Str Bond B SF 1145.81
d America Valor $ 371.90
d Anglo Valor £ 185.40
d Asia Portfolio SF 502.71
d Convert Bond Selection SF 91.40
d D-Mark Bond Selection DM 111.80
d Dollar Bond Selection $ 146.79
d Ecu Bond Selection Ecu 105.50
d Florin Bond Selection Fl 116.84
d France Valor FF 1633.95
d Germania Valor DM 430.26
d Gold Portfolio SF 381.63
d Iberia Valor Pta 43307.00
d Ital Valor Lit 346350.00
c Japan Valor Y 26541.00
d Sterling Bond Selection £ 113.20
d Sw. Foreign Bond Selection SF 103.71
d Swissvalor SF 352.00
d Universal Bond Selection SF 74.25
d Universal Fund SF 101.57
d Yen Bond Selection Y 11308.00
T. ROWE PRICE ASSOCIATES INC.
m T. Rowe Price Frontier Ltd $ 9.07
TEMPLETON W.WIDE INVESTMENTS
GROWTH PORTFOLIO
d Class A-1 $ 9.47
d Class A-2 $ 11.32
d Class A-3 $ 10.57
d Class B-1 $ 9.45
d Class B-2 $ 11.10
INCOME PORTFOLIO
d Class A $ 10.92
d Class B $ 10.86
TERMINVEST Tel : 48.76.92.89
m Dual Futures Fd Cl D Units $ 110.38
m Galaxy Futures Fund Ltd $ 110.09
THORNTON MANAGEMENT Ltd
d Pacif Invt Fd SA £ £ 8.37
d Pacif Invt Fd SA DM DM 23.85
d Pacif Invt Wrnt Fd SA £ £ 3.37
d Pacif Invt Wrnt Fd SA DM DM 9.60
d Eastern Crusader Fund $ 7.81
d Thornton Int'l Opp. Fd $ 1.65
d Thornton HK Gateway Fd $ 19.27
d Thornton Japan Fund Ltd $ 24.71
d Thor. Litl Dragons Fd Ltd $ 20.51
d Thornton Orient Inc Fd Ltd $ 22.15
d Thornton Phil. Redev. Fd $ 20.94
d Thornton Tiger Fd Ltd $ 30.78
NEW TIGER SEL. FUND
d Thailand $ 8.38
d Malaysia $ 8.87
d Indonesia $ 4.87
THORNTON TAIWAN FUND
d Equity Income $ 10.36
d Equity Growth $ 10.84
d Liquidity $ 10.00
UEBERSEEBANK Zurich
d B - Fund SF 1035.35
w E - Fund SF 537.62
d J - Fund SF 330.95
d M - Distribution SF 98.64
d M - Fund SF 1071.33
d UBZ Euro-Income Fund SF 10.37
UNIVERSAL GROUP OF FUNDS
d Universal Cdn. Equity C$ 9.53
d Universal Pacific C$ 8.96
d Universal American C$ 9.20
d Universal Cdn. Resource C$ 3.99
d Universal Global C$ 6.47
d Canada Guar. Mortgage Fd C$ 15.97

Other Funds
w Acropolis Fund Ltd $ 985.97
r Acticroissance FF 493.77
w Actiffinance Int'l $ 1000.48
w Actifutures Ltd $ 847.48
w Actigestion FF 1025.65
w Activest Int'l FF 27.51
m Advanced Strategies $ 109.25
m Aquila International Fund $ 282.29
m Arbitin Investment $ 994.97
b Ariane $ 4395.70
d Asia Oceania Fund $ 9.36
m Associated Investors Inc. $ 816.33
b Atlantic Fund $ 70.85
r Australia Fund $ 18.42
w Balfour Maclaine Series 1 $ 957.87
w BEM International $ 7.11
w Bondselex-Issue Pr. SF 106.25
m Cal Futures 1990 Fd Ltd $ 24.83
d CB German Index Fund DM 118.11
w CMI Investment Fund $ 1424.00
w Convert. Fd Int'l A Certs $ 18.52
w Convert. Fd Int'l B Certs $ 64.25
w Cowen Enterprise Fd N.V. $ 1070.94
w Cumber Int'l N.V. $ 280.66
d D. Witter Wld Wide Ivt Tst $ 27.33
w D.G.C. $ 250.10
w Daiwa Japan Fund Y 4463.00
d Dreyfus America Fund $ 23.18
w Dumenix Amerique $ 1034.74
w Dumenix Asie Pacifique $ 1034.74
w Dumenix Bonds Plus $ 1058.76
w Dumenix Europe Ecu 1086.65
w Dumenix France FF 6489.65
w Dumenix Opportunity $ 1034.74
m Dumenil Arbitrage Fd NV $ 772.53
w Egs Overseas Fund Ltd $ 1300.00
d Emi Belg. Ind. Plus A BF 8405.00
d Emi Belg. Ind. Plus B BF 8405.00
d Emi France Ind. Plus A FF 841.35
d Emi France Ind. Plus B FF 841.35
d Emi Germ. Ind. Plus A DM 84.73
d Emi Germ. Ind. Plus B DM 84.73
d Emi Spain Ind. Plus A Pta 9311.00
d Emi Spain Ind. Plus B Pta 9311.00
d Emi UK Index Plus A £ 104.45
d Emi UK Index Plus B £ 104.45
m Enigma Currency Fd $ 18.96
w Espir. Sto Inv. M Ecu Bd Fd Ecu 105.40
w Espir. Sto Inv. M Sth Eur Fds 8.76
w Esprit Sicav Ecu 1087.69
d Eurasud $ 1006.79
d Europe 1992 $ 10.18
d Europe Obligations Ecu 85.03
w F.I.T. Fund FF FF 125.92
w F.M.P. Portfolio $ 0.5451
w Fairfield Int'l Ltd. $ 170.35
w Fairfield Sentry Ltd. $ 240.55
w Fairfield Strat. Ltd. $ 68.75
m Fetum Fund $ 783.16
w First Eagle Fund $ 39979.28
m First Ecu Ltd Ecu 84.01
m First Frontier Funds $ 69.17
w FL Trust Switzerland SF 91.16
d Fonditalia 84.33
w Fonselex Issue Pr. SF 138.95
d Force Cash DM Sicav DM 5446.76
d Force Cash Ecu Sicav Ecu 2820.41
d Forexfund Limited $ 8.50
w Formula Selection Fd SF 59.46
d Frankl-Trust Effekten Fd DM 150.71
d Frankl-Trust Interzins DM 39.45
d Gemini Intl Multi $ 1039.44
m Gems Progressive Fd Ltd $ 1102.13
w George V Inv. Bond Fd $ 24.71
m German Sel. Associates DM 1766.71
w Global Futures Mgt Ltd $ 1142.00
w Gonnard SF 24.78
d Green Line France FF 648.11
m Guaranteed Capital Imm 94 LF 514850.00
m Hasenbichler Com AG $ 2892.00
w Haussmann Hldgs. N.V. $ 414.47
d Hentsch T.F. SF 10787.00
w Hesta Fund $ 176.49
w Horizon Fund FF 11164.66
d IAM Flagship Fund Ecu 75.85
w Ibex Holdings Ltd SF 192.96
w IFDC Japan Fund Y 25299.00
r ILA-IGB $ 1.55
r ILA-IGS $ 9.94
w Infinity Fund $ 182.0470
r Int'l Securities Fund Ecu 25.92
m Interface Fund Ltd. $ 161.23
d Interfund SA $ 47.82
w Intermarket Fund $ 513.86
w Intersec - KBL $ 3906.83
d Invesio DWS DM 67.21
d Investmentor Fund $ 105.89
m J Capel Guaranteed Fund $ 10.40
w Japan Pacific Fund $ 206.98
m Japan Selection Assets Y 8064.00
w Japan Selection Fund $ 209.68
w JWH Worldwide Fund $ 12.86
m Kandu LDC Fund $ 171.89
d Kenmar Guaranteed $ 10.12
w Kenmar Int'l - B $ 10261.00
d Kenmar L/C $ 8.25
m Key Hedge Fund Inc. $ 117.35
d KML-II High Yield $ 627.51
w Knightsbr. Futures $ 980.25
w Korea Growth Trust $ 29.56
m L.F. Yield & Growth Fd $ 994.87
w LACO International $ 5.64
w Leaf Sicav $ 1007.05
w Leumi Vol. Francaises FF 953.69
m London Portfolio Services $ 18.24
m LPS Intl H.P.B. $ 9.99
w Luxfund $ 112.47
m Lynx Sel. Holdings SF 120.10
w M I Multi-strategy $ 1056.87
w M.Kingdon Offshore. N.V. $ 10.46
m Maritime Fund Int'l Ltd. $ 736.69
w Mat Growth ESCF DM 16.11
w Mat Growth USCF $ 11.79
m Matterhorn Offshore Fd $ 9992.41
m Maverick Limited $ 244254.34
w MBE Japan Fund LF 1859.00
m MCM Int. Limited $ 166.08
d Mediolanum Selective Fd $ 36.54
w Moore Global Invts. Ltd $ 2368.89
d NCA Fund $ 10.17
d New Millennium Fut. Ltd $ 896.12
d Newbank Debentures $ 1251.00
w Nippon Fund $ 109.00
d NM Inc. & Growth Fund $ 19.27
m NMT Asian Sel. Portfolio $ 191.00
w NMT Citadel Bond SF 124.27
m NMT Nostec Portfolio $ 149.84
d Nomura-Can Int'l Eq Fd $ 15.62
w Noveurope - KBL Ecu 2673.50
m NSM Invest. Ltd. Senso SH. $ 9.06
m NSM Invest. Ltd. Tetryx SH. SF 9.62
m NSP F.I.T. Ltd $ 11.64
m Oppenheimer U.S. Arb. $ 134.85
w Optimum Fund $ 1489.06
m Overlook Performance $ 1491.28
d Pacific Nies Fund $ 6.39
d PAM Futures Trad $ 310.67
m Pan European Futures Ltd. $ 4759.69
m PAN International Ltd. $ 105.55
w Pancurri Inc. $ 166.48
m Paragon Fund Limited $ 10.56
w Plurigestion FF 95.98
w Plurivest International FF 106.15
d Precision Fund Ltd $ 82.17
d Premier Futures Ltd. $ 1114.67
d Profinent S.A. DM 1130.98
w Puget-Mahe Barclays Pac. $ 160.65
w Pulsar LDC debt Fd $ 117.8259
w Quantum Fund N.V. $ 20167.45
m Quark Int'l Trad Prog. $ 9879.007
w Quasar Fund N.V. $ 139.59
w RM Futures Fund Sicav $ 20091.32
w Sailor's Intl Equity Ecu 973.80
w Sailor's Intl Fixed Ecu 1056.74
w Samurai Portfolio SF 257.90
d Sanyo Kle. Spain Fd $ 9.48
d Sorakreek Holding N.V. $ 14.50
d Saturn Fund $ 1188.93
d SCI / Tech. SA Luxembourg $ 18.71
m Scimitar Guar. Curr Fd $ 8.19
m Scimitar Guaranteed Fd $ 8.70
w Securefund 2000 Ltd $ 5.75
m Semadex $ 101.18
m SLH Guar. F.F.L $ 1292.88
w SP International SA $ 8399.93
m Sussex McGarr $ 1735.00
w Techno Growth fund SF 47.59
d Templeton Global Inc. $ 10.24
w The Jaguar Fund N.V. $ 385.90
d The Petrus Fund Ltd $ 1.87
w Thema M-M Futures $ 1049.95
m THC (OTC) Jap. Fd Sicav $ 10.76
b Tokyo (OTC) Fund Sicav $ 8.84
m Trans Global Invt Ltd $ 108.52
w Transpacific Fund Y 22087.00
w Trinity Futures Fd Ltd $ 1011.255
d Tudor B.V.I. Futures Ltd $ 9482.96
d Turquoise Fund $ 190.07
m Tweedy Browne (UK) n.v. $ 1345.93
w Tweedy Browne n.v. Cl A $ 3859.25
w Tweedy Browne n.v. Cl B $ 1700.89
d Uni Bond Fund Ecu 1820.93
r Uni Capital Fund Ecu 1255.88
d Unico Equity Fund DM 57.73
d Unico Inv. Fund DM 67.45
m Unitrad CHF SF 1167.01
m Unitrad CHF Reg SF 1021.56
m Unitrad FRF FF 11972.22
m Unitrad USD $ 1128.46
d Univers Bonds DM 148.96
w Ursus Int'l Ltd $ 8185.00
m Valbonne Ecu 110.01
w Vanderbilt Assets $ 16.35
m Victor Futures Fund $ 195.88
w Wilier Asia Fund $ 10.60
w Willerbond Capital $ 15.59
d Win Global Fd Bd Pftl Ecu 111.21
d Win Global Fd Eq Pftl Ecu 96.52
d Win Global Fd Res. Pftl SF 212.49
d World Balanced Fund S.A. $ 12.71
w Worldwide Securities $ 41.79
w Worldwide Special $ 904.92
m Young SF 169.24
m Zweig Int'l Ltd S/S $ 13570.00

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هكذا من الأصل

SPORTS

Redskins Revving for a Rout

But They Still Wonder If They've Passed Their Peak

By Richard Justice
Washington Post Service

WASHINGTON — The Washington Redskins begin the National Football League playoffs the consensus favorite to win the NFC, a team that won more games and scored more points than any other in the NFL and a team that at times looked invincible.

Yet as they open the playoffs Saturday afternoon here against an Atlanta team they thrashed by 39 points seven weeks ago, one of their worries is this: Did they play their best football early? Did they reach their high-water mark against the Falcons and Steelers in mid-November and will they remember this season as one that fizzled out after a spectacular 11-week ride?

Or did the Redskins follow 11 solid weeks with five workmanlike weeks that combined some good play and some mediocre play? Did they simply suffer the emotional slump that is inevitable during a regular season long enough to make it impossible to play at an emotional peak every week?

Coach Joe Gibbs said he would like to know the answer himself. He knows that since defeating Pittsburgh 41-14 to go 11-0 on Nov. 17, the Redskins have not looked as good. They are 3-2 since, having lost to Dallas and Philadelphia, struggled on the road to beat Phoenix and the Los Angeles Rams and trounced the New York Giants.

An optimist would look at the last five weeks and see a team that was still good enough to win. The Redskins survived a pair of long road trips, they lost to the Cowboys and they lost to the Eagles after Gibbs had benched several starters. Perhaps the play wasn't as sharp, but they accomplished every goal they had coming into the season.

A pessimist would see trouble at every turn. They had trouble running the ball, they match up poorly with the Cowboys, and the Falcons are coming to Washington angry at that 39-point loss.

Nevertheless, one of the bits of intrigue this week has been wondering if Washington played its best game six weeks ago. That's when the Redskins dismantled the Steelers in Pittsburgh. Mark Rypien completed 21 of 28 passes for 325 yards. The Posse caught 15 passes and the defense forced two turnovers and had five sacks.

After that game, they were leading the NFL in almost everything. They were averaging 140 rushing yards per game; it dropped to 101 for the final five games. They were averaging 33 points; it dropped to 24.8 for the final five. They were allowing 262 yards per game; it rose to 283 the final five games.

Coaches saw things on the films. They saw teams that stacked up to stop the run, but they also saw run blocking that wasn't as good. They saw some halves when the Redskins clearly were flat. Mainly, they saw a team that was still excellent for stretches, but one that for the first time all season looked only average for some stretches.

Perhaps what they saw is a team that played its best for 11 games, and then after meeting every challenge, winning close ones on the road, winning blowouts at home, finally beating the Giants and taking a commanding lead in the NFC East, a team that lost some interest. The next challenge is to get that edge back for the playoffs.

"It's a concern, especially now," Rypien said. "That's a mental block we've got to get over. We had some games where we started slow. You start slow against a team like the Falcons, with the talent they have, and you could be in a hole just as they were the last time we played them. It's a matter of coming out and firing right from the gun."

Rypien thought that wouldn't be problem. At the very least, he certainly didn't see any correlation between struggling to get past the Cardinals and Rams and having trouble in the playoff opener.

"The playoffs bring a different adrenaline rush," he said. "For me, I have to keep it bottled up. Now, the young guys are going to be coming out of that tunnel foaming at the mouth. You've got to win this one. If you don't, there ain't nothing left."

Gibbs knows that his biggest advantage is having a team loaded with playoff experience. Only six Redskins haven't played in a postseason game, and four Redskins — Monte Coleman, Russ Grimm, Joe Jacoby and Don Warren — have played in all 16 postseason games under Gibbs. Nineteen Redskins have played in a Super Bowl.

Gary Cameron/Reuters
Quarterback Mark Rypien, center, and his teammates are hoping to regain their form in the playoffs.

Has Corporate America Pulled Plug on Magic?

By Harvey Araton
New York Times Service

NEW YORK — It has taken several weeks, but America has begun to emotionally distance itself from Magic Johnson.

In a recent article by The Associated Press, a spokesman for Pepsi-Cola, Andrew Giangola, brazenly admitted that a new promotional campaign featuring Johnson, whose contract with that company expires next summer, "is not on the front burner."

The article also quoted Marty Blackman, of the advertising consulting firm Blackman & Rayber Limited, on the likelihood that "companies will fully support his public commitment and refrain from using him in active advertising."

In other words, forget about using Johnson's name to help foster a new enlightenment on AIDS. Corporate America will apparently give at the office, nothing more.

Vantage Point

The article added that only Converse has firmly stated its intentions to continue to use Johnson, especially during the 1992 Summer Olympics.

But despite early promises by Johnson's other endorsement companies to stand by him, to make a public show of complete support, most Johnson ads have already been pulled and most of the companies are going to walk.

This back-door play is not only predictable, but sad and shameful, though not because Johnson is morally entitled to earn millions for affirming the yumminess of soft drinks and fast food.

The reluctance by these companies to retain Johnson for as long as he can bring himself to smile for the camera is ultimately depressing testimony on how far we are from publicly facing the AIDS epidemic. It enforces the notion that a person who contracts this virus no longer belongs in the mainstream, on television or an assembly line.

Magic Johnson, like thousands before him, somehow becomes the perpetrator of a crime more than he is the victim of a terrifying disease. Go stand over there with the infected, he is told, out of our sight.

At the height of his marketing life, which was Nov. 6, or the day before he announced that he had tested positive for HIV, Johnson embraced these commercial marriages, hopefully with the understanding that they had nothing to do with love. They ought to have something to do with humanity.

JOHNSON RIGHT NOW is only carrying the virus. He does not have AIDS and may not have it for another 10 years. His name and face are more identifiable now than ever, far more than most active athletes.

Still, less than two months since his announcement, he stands to be cornered as America's AIDS pitchman, its greatest celebrity leper.

In too many conversations lately, I have heard expressions of dismay regarding Johnson's presence at NBA arenas across the country.

Why does he shoot baskets before Lakers games? Why does he insist on accompanying the team on the road, most recently to Chicago and Detroit? What was that media circus in New York, where he invited the press to watch him work out with the Knicks coach, Pat Riley, all about? What is he trying to prove?

The Magic Johnson story slowly shifts now from shock and sadness to fear and ignorance.

Corporate America will presumably base its decisions to pull the plug on Johnson on the bottom line, on what it believes the country's consumers are ready to swallow.

Judging from some of the messengers who flash nightly across our screens, we will just about swallow anything — as long as it's not a reminder of AIDS.

During the first hours of his retirement, as he attempted to deal with an impossible merging of his public and personal lives, Magic Johnson, understandably, made mistakes.

Some of his comments were insensitive to homosexuals. He was too slow to express concern about the women he might have infected.

Smart, sensitive and a quick learner, Johnson has become more careful with his words. He has lately been talking more about playing in the Olympics, possibly even the playoffs. That's probably wishful thinking, but he can wish, and so can we. It is better than writing him a check, wishing him luck and tuning him out.

Run-and-Shoot Oilers Turn Defensive

Houston Hopes to Win Breathing Room for Offense by Stifling the Broncos

By Timothy W. Smith
New York Times Service

NEW YORK — Houston's run-and-shoot offense is always susceptible to the whims of a stiff breeze. And the Oilers have shown that their rushing attack isn't steady enough to keep the pressure off their passing game.

It's a good thing the Oilers found their defense just in time for Saturday's National Football League playoff game against the Broncos in Denver.

The Oilers' defense appears to have hit its stride.

In the first AFC playoff game last week, Houston's defense stuffed the Jets on a fourth-and-goal at the 3, came up with an interception on another goal-line situation and shut out New York in the second half of their 17-10 victory.

It was the sixth consecutive game in which the Oilers' offense had not scored more than two touchdowns. But it didn't matter, because the defense provided the team with more than enough breathing room.

After the game, the Houston defensive coordinator, Jim Eddy, was more than a little giddy.

"We reminded ourselves what kind of defense we can play," Eddy said. "That's so important because in the playoffs you win with defense and this gives us some momentum.

"I'm excited about going to Denver. Like I told our staff, I think we match up well against their people in how our front plays their front and how our coverages work against their receivers."

He was also optimistic about the prospects of frustrating Denver's quarterback, John Elway.

The Oilers defeated the Jets without the services of two of their starting defensive linemen and a linebacker who wasn't completely healthy.

Defensive tackle Ray Childress missed the game with a cracked rib, defensive tackle Doug Smith went out of the game in the second quarter with a rib injury and linebacker Lamar Lathon played at about 80 percent with a rib injury, though he led the team with 11 tackles.

> **'We reminded ourselves what kind of defense we can play. That's so important because in the playoffs you win with defense and this gives us some momentum.'**
> **Jim Eddy,**
> **Oilers' defensive coordinator**

All three are expected to be in the lineup against the Broncos, which should strengthen the Oilers' run defense and pass rush.

Houston humiliated Denver in their Oct. 6 game at the Astrodome, 42-14. The Oilers took a 35-0 halftime lead with the help of three successive Bronco turnovers converted into 21 points and a blocked punt for a touchdown.

That victory was inspired by defense. Oilers cornerback Cris Dishman intercepted an Elway pass and returned it 43 yards to the 1 to set up a score, then returned a fumble by running back Steve Sewell for another touchdown. It was the only game this season in which the Broncos have given up more than 20 points.

Houston linebacker Al Smith said the Oilers' defense had to do the same thing to Denver this time around.

"We have to give our offense as many chances as possible to do well," he said. "We can't put them in any kind of hole. We understand that. It's up to us to come through, like we did last time. We put that game away early. I'd like to see us do it again."

The Denver coach, Dan Reeves, hasn't really forgotten the sting of that loss. After the Oilers won on Sunday, Reeves and his assistant coaches headed for their training facility and began watching game film in preparation for Saturday's game.

Reeves said that redemption would play a major role in the Broncos-Oilers game, as well as in the other AFC playoff game between Buffalo and Kansas City.

"The Oilers embarrassed us, and the Bills were embarrassed by Kansas City," Reeves told The Denver Post. "To me, that's the great thing about these games. It ought to be interesting to see what happens this time. Nobody likes to get embarrassed again."

Swiss Oust Spain in Hopman Cup

The Associated Press

PERTH, Australia — Manuela Maleeva-Fragniere and Jakob Hlasek scored singles victories Thursday, lifting Switzerland over Spain and into the final of the Hopman Cup team tennis tournament.

The victories gave fourth-seeded Switzerland an unbeatable 2-0 lead over second-seeded Spain and rendered the mixed doubles meaningless. Maleeva-Fragniere defeated Arantxa Sánchez Vicario, 6-3, 3-6, 6-3, in the opening women's singles, then Hlasek beat Emilio Sánchez, 6-4, 6-3.

Switzerland will meet fifth-seeded Czechoslovakia in Friday night's final. The Swiss reached the final for the first time. Spain won the title in 1989.

BOOKS

INVENTING JAPAN: The Making of a Postwar Civilization

By William Chapman. 330 pages. $22. Prentice-Hall Press, 15 Columbus Circle, New York, N.Y. 10023.

Reviewed by
Robert C. Christopher

THERE is a duality about William Chapman's "Inventing Japan" that brings to mind the bit of doggerel about the girl with a curl right in the middle of her forehead. When this book is good, which is most of the time, it is very, very good. But when it is bad, it is — well, not horrid but at least strangely simplistic.

In his preface, Chapman declares that what he has produced is "a journalist's book." If there is meant to be a hint of apology in that statement, it is unnecessary. The author, who spent 12 years in Tokyo as a correspondent, mostly for The Washington Post, knows Japan extremely well, has thought hard and intelligently about its people, institutions and problems and expresses himself with a grace and lucidity too often lacking in scholarly writing. He also achieves an admirable degree of dispassion, falling prey neither to the reluctance of some Japanophiles to portray the object of their affections warts and all, nor to the strident scapegoating of "revisionists" whose work has lately become so chic.

He is at his best in his insights into the immediate causes and nature of the changes that have swept Japan since the end of World War II. He brushes aside the view that the U. S. occupation was a coherent and brilliantly planned exercise in the transformation of Japanese values and institutions. He points out that it was a highly improvisational, with contending forces pulled in radically different directions and with the Japanese playing a considerably more important role than is generally ascribed to them.

It is, however, some of Chapman's views on more current matters that are most likely to surprise — and, with luck, educate — readers whose knowledge of Japan is largely derived from the rhetoric of Japan-bashing politicians and businessmen or the frequently superficial coverage in the U. S. media. With a single karate chop, "Inventing Japan" disposes of the notion that it was either absentmindedness or a fervent devotion to free trade that led the United States to tolerate inequitable Japanese trade practices for 20 years after the occupation had ended; rather, he points out, American tolerance resulted from a conscious decision by successive administrations that to strengthen the Japanese economy in this way was sound Cold War strategy.

With similar briskness, Chapman refutes other canards — among them the perennial Washington complaint that Japan has failed to make fundamental changes in its economic behavior in response to American demands and the no less bitter charge that when it comes to their own national defense the Japanese have cynically taken "a free ride" at the expense of the American taxpayer. In partial response to the latter point, Chapman observes that during most of the postwar era, the Japanese simply did not believe the danger of a Soviet attack on Japan was great enough to require massive spending on their defense establishment.

"Inventing Japan" is studded with interesting, mostly accurate and often original judgments on specific aspects of postwar Japanese behavior. All of which makes it difficult to understand how Chapman arrived at what he presents as his underlying theme, which, as his title implies, is that nothing in Japan's pre-World War II history and culture has very much to do with what Japan has become since the war.

Up to a point, one can sympathize with Chapman's disdain for those he sometimes dismisses as "the culturalists." Unfortunately, though, in his impatience Chapman goes to the other extreme. In general, when it comes to appraising the relationship between past and present in Japan, Chapman performs the classic maneuver of throwing the baby out with the bath water.

But this is a book that will richly repay a reader seeking a greater understanding of the world's new economic goliath.

Robert C. Christopher, the author of "The Japanese Mind," is administrator of the Pulitzer Prizes. He wrote this for The Washington Post.

BRIDGE

By Alan Truscott

AT the Reisinger Board-a-Match Team Championship held in Indianapolis, Indiana earlier last month, Clifford Russell of Miami, Florida led his team to victory over a team captained by Mike Cappelletti Jr. of Knoxville, Tennessee and George Rappee of New York City.

The Cappelletti team would have been tied for the lead at the start of the last round of the Reisinger but for a bizarre episode on the diagramed deal. In normal team play, scored by imps, one would expect North-South to play in six hearts or diamonds. But at board-a-match scoring it was important to play six no-trump from the North side of the table.

But if North-South, by some misfortune, reached seven no-trump, as happened at more than one table, the contract had no chance with North as declarer and East on lead. In the weird auction shown, South's two no-trump rebid was an artificial forcing action. After that a wheel came off, and when North-South had raised themselves by their bootstraps to seven no-trump, East doubled firmly to show that he had a trick. He actually had two tricks with a club lead, but the junior Cappelletti as West had no way to work that out. He guessed wrong by leading a spade, and South quickly claimed his doubled grand slam.

NORTH
♠ Q J
♥ Q 10
♦ K Q J 9 7 4
♣ K 10 9

WEST (D)
♠ 10 9 7 4
♥ 9 8
♦ 10 2
♣ 8 6 5 4 3 2

EAST
♠ 8 6 3 2
♥ 7 6 3
♦ 8 5 4
♣ A Q 7 5

SOUTH
♠ A K 5 3
♥ A K J 5 4 2
♦ A 6
♣ J

Neither side was vulnerable. The bidding:

West	North	East	South
Pass	1 ♥	Pass	1 ♠
Pass	2 ♦	Pass	2 N T
Pass	4 N T	Pass	6 N T
Pass	7 N T	Dbl	Pass
Pass	Pass		

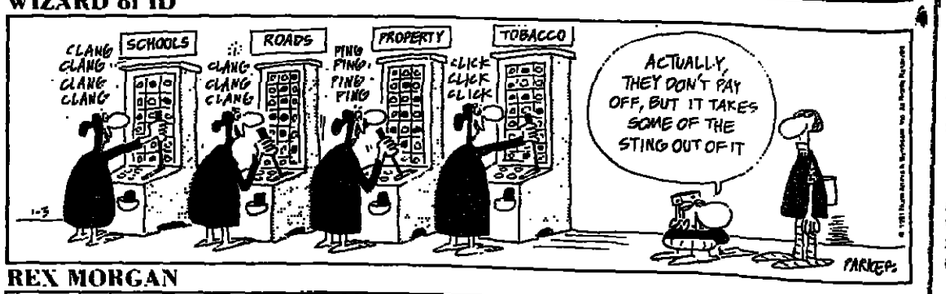
West led the spade ten.

PEANUTS

BEETLE BAILEY

CALVIN AND HOBBES

WIZARD of ID



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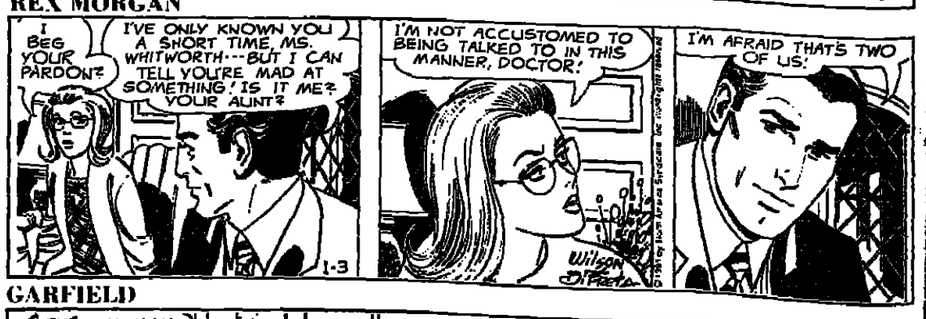

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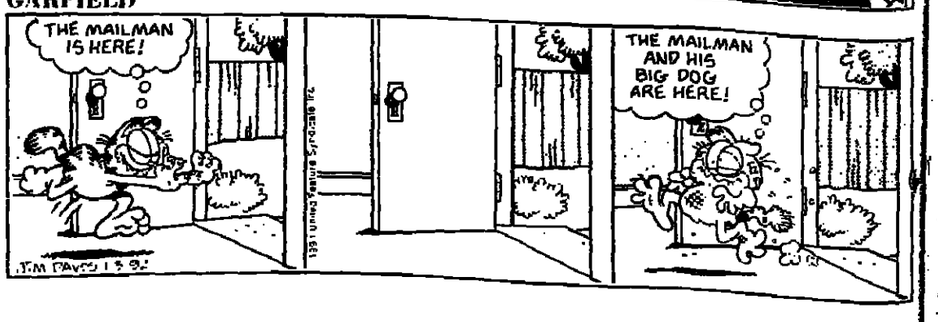

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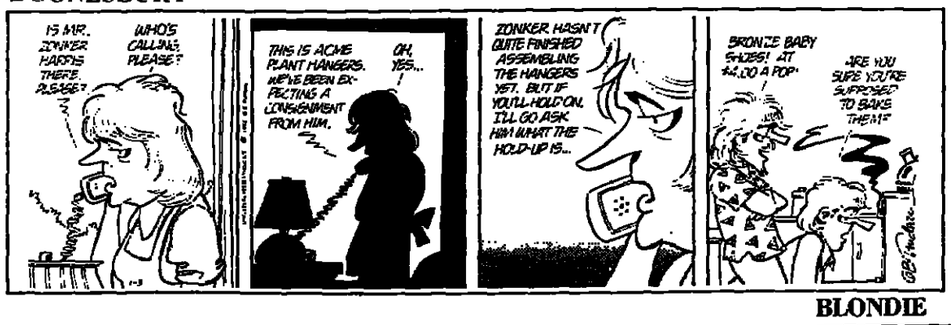

DENNIS THE MENACE

JUMBLE. THAT SCRAMBLED WORD GAME

by Henri Arnold and Bob Lee

Unscramble these four Jumbles, one letter to each square, to form four ordinary words.

PIMBL

JARAH

TILBEG

EXFRIP

Now arrange the circled letters to form the surprise answer, as suggested by the above cartoon.

Print answer here: ( ) ( ) ( ) ( )

(Answers tomorrow)

Yesterday's Jumbles: SURLY PATIO LAWFUL TALLOW
Answer: Overpraise never hurts unless you do this— SWALLOW IT

BLONDIE

SPORTS

In Split Vote, Miami Edges Washington for College Championship

Lewis Rayson/Reuters

Trophy in hand, Washington's coach, Don James, and his players celebrated their Rose Bowl victory.

Huskies Halt Michigan, 34-14

By Michael Martinez
New York Times Service

PASADENA, California — The University of Washington, playing as if motivated by a national championship, staked an emphatic claim to be No. 1.

The Huskies, slowed a bit by occasional mistakes in the first half, routed Michigan, 34-14, in the 78th Rose Bowl on Wednesday to finish their season with a 12-0 record. Next came the voting.

Washington enhanced its chances of closing the season ranked first, but then Miami blanked Nebraska in the Orange Bowl. On Thursday, the Hurricanes were ranked first by The New York Times and The Associated Press, with the United Press International poll to be released later in the day. The Huskies were ranked first, however, by the USA Today-Cnn poll of coaches.

Quarterback Billy Joe Hobert, chastised earlier by Coach Don James for saying publicly that Washington should bypass the Rose Bowl and seek out Miami to decide No. 1, was exceptional, throwing for two touchdowns and running for another.

Reserve Mark Brunell threw a fourth-quarter scoring pass of 38 yards to Mario Bailey, who struck a Heisman Trophy pose in the end zone similar to one the real Heisman winner, Desmond Howard, struck in a game before the regular season ended.

Michigan (10-2) was behind by just 6 points at halftime, but it quickly became a 24-point deficit early in the final period.

The polls could wait. The game was the thing, and it became, from the start, a series of big plays from big players.

Steve Emtman, Washington's defensive tackle and Outland Trophy winner, did not look as if he had spent most of the week in bed recovering from the flu.

And Desmond Howard, Michigan's wide receiver and Heisman winner, made a spectacular catch that helped the Wolverines to their only touchdown of the first half.

Without it, Michigan likely would have been in considerable trouble. The Huskies had a 13-7 lead at halftime, but they were forced to settle for two field goals instead of two touchdowns in the second quarter and probably should have had a 14-point lead.

One apparent touchdown, a 14-yard scoring run by Jay Barry, was called back because of a holding penalty and instead became a 24-yard field goal — and a 10-7 Washington lead — by Travis Hanson.

Minutes later, the Huskies failed on another opportunity when two passes by Hobert were dropped in the end zone, one by Beno Bryant and another by all-America receiver Mario Bailey, who let the ball fly between his hands in the far corner. So Hanson kicked another field goal, this one from 23 yards, to make it 13-7.

For most of the half, though, it was Washington's defense that seemed in control. It held Michigan to minus 2 yards in total offense for the first quarter and 53 in the half.

Emtman, who also won the Lombardi Award for outstanding lineman, had two exceptional moments.

ROSE BOWL

In the first, he forced an early fumble by Wolverine quarterback Elvis Grbac after initially fighting off a double-team block by two linemen. Then, just before the half, he sacked Grbac for a 12-yard loss after the Wolverines had taken possession of the ball at the Washington 29-yard line after an interception. Michigan eventually lost more on the drive and had to punt.

The Huskies scored first, completing a 54-yard drive that was set up on a Hobert pass to Bailey that measured 44 yards and gained a first down at the Michigan 6.

On the first play of the second quarter, Hobert faked a handoff to Bryant, who dived into the line, and took the ball in himself from 2 yards away.

Michigan, though, responded quickly to tie the game. Grbac, after missing three earlier pass attempts to Howard, finally found him in single coverage and connected a 35-yard gain from the Washington 44-yard line to the 9.

On third down, Grbac then threw high for flanker Yale Van Dyne, but the ball sailed into the arms of Walter Smith in the back of the end zone for a touchdown.

Mark Brunell, Washington's backup quarterback, ran one series in the second quarter, as promised earlier in the week by James. It was perhaps the team's best drive.

Brunell, the player of the game in last year's Rose Bowl, completed 6 of 7 passes and should have taken the Huskies to a touchdown, but the penalty spoiled things and the kick they settled for left the Huskies with just 3 points.

Hurricanes Roll Over Nebraska

Compiled by Our Staff From Dispatches

MIAMI — If anybody was going to get in Miami's way of a fourth national championship in eight years, it certainly was not going to be the Stone Age Nebraska Cornhuskers.

Gaining a mere yard was a stunning achievement during some stretches Wednesday night for one-dimensional Nebraska. And Miami, while not especially sharp by its lofty standards, flexed enough muscle for a 22-0 victory in the Orange Bowl to finish the season at 12-0, matched only by Washington.

ORANGE BOWL

"I vote in the coaches poll and I'm going to vote us No. 1 and Washington No. 2," said Miami's coach, Dennis Erickson. "If a split came about and we're both national champions, I could live with that very easily. Going 12-0 is quite a feat in college football."

Indeed, there was a split, but it favored Miami. Final rankings by The Associated Press and The New York Times made the Hurricanes No. 1, but Washington topped the USA Today-CNN coaches poll.

For Miami, it was the fifth consecutive bowl victory, all on New Year's Day. And for Nebraska, it was the fifth consecutive bowl loss, all on New Year's Day.

It was also Miami's 45th straight victory on its home turf, and the 77,547 who sat through a rainy night saw the first Orange Bowl classic shutout since 1963, when Alabama beat Oklahoma, 17-0. To find the last time Nebraska was shut out, it was necessary to go back nearly as far, 221 games to 1973, when Tom Osborne, as a rookie coach, was whitewashed by Oklahoma.

"I don't know that I've ever been around a defensive performance like that," Erickson said. "The way we played defense was convincing."

The 11th-ranked Cornhuskers (9-2-1) led the nation in rushing with 353 yards per game during the season. Wednesday night they rushed for 82 yards and gained a total of 171. After one quarter, they had a grand total of one yard to Miami's 160.

The Miami offense doesn't have the stars people have grown accustomed to seeing, but the freshman running back Larry Jones won the game's most valuable player award by carrying 30 times for 144 yards and one touchdown. He was playing because Stephen McGuire was injured and Martin Patton was suspended.

"It was his time and he was accountable," Erickson said.

Quarterback Gino Torretta finished 19 for 41, for 257 yards, with two interceptions and one touchdown pass. But several of his passes were dropped in the rain and 12 penalties kept the Hurricanes from running up the score.

"We should have scored 21, 22 more," Torretta said.

Even so, he hit Kevin Williams for 36 yards, setting up an eight-yard touchdown toss to Williams four minutes into the game for 7-0. And his 38-yard toss to Lamar Thomas set up Carlos Huerta's 24-yard field goal that made it 10-0. Another 24-yarder by Huerta made it 13-0, with four minutes still left in the first quarter.

Nebraska didn't pick up a first down until six minutes before halftime, by which time it was obvious to anyone, even the Cornhuskers, they couldn't take advantage of Miami's carelessness on offense.

Miami made it 19-0 on the first drive of the third quarter when Torretta scorched the Nebraska defense by throwing the same pass pattern three consecutive times for 17, 12 and 12 yards to Williams, Thomas and Williams again. Jones, who started the drive with two carries for 11 yards, finished it with rushes of eight, five and finally one yard for the touchdown.

Huerta added a 54-yard field goal and the Miami defense kept picking off passes of forcing fumbles whenever Nebraska acted the least bit interested in scoring. The Cornhuskers' quarterback, Keithen McCant, was 6 of 18 for 80 yards and two interceptions. But the numbers were better than his performance.

The Miami defenders were amazed that Nebraska didn't come with some surprises packed. The Cornhuskers left the Orange Bowl talking about missed opportunities to make big plays and such, apparently not realizing how far they were from mounting any serious threat.

"I don't know, they just play well at home," Nebraska tight end Johnny Mitchell said, perhaps not recalling Miami's victory at then-No. 1 Florida State in November. "We've had bad luck the last five years in bowl games."

Miami defensive end Eric Miller said it might've been a while before Nebraska put up any points.

"The way we were playing tonight, we'd be going until about noon tomorrow," the senior said.

"It's unbelievable the way our defense rose to the occasion," he added. "It's the best we've played since I've been here by far. Everything went perfect."

"I don't know what happened out there," Nebraska I-back Derek Brown said. "We needed to run the ball, and we just didn't do that."

(WP, AP)

In other bowl games, reports of which appeared in some editions of Thursday's International Herald Tribune:

COTTON BOWL

Florida St. 10, Texas A&M 2: In Dallas, in one of the ugliest of postseason games, the teams produced a record-tying 13 turnovers. The Aggies lost eight of them and got their only points on a rainy day when Casey Weldon was sacked in the end zone by linebacker Quentin Coryatt for a safety.

But Weldon also scored his first touchdown since 1988 by faking a draw and running around right end untouched from the 4. He also was intercepted four times, but the Seminoles' defense, ranked 10th in the nation, recovered six fumbles.

"The defense and offensive line carried me today and I almost broke their backs," Weldon said. "But it was a great win. It won't make up for having that championship ring on our finger."

Florida State (11-2) missed two field goals, but Gerry Thomas hit a 27-yarder with 2:40 left. Texas A&M (10-2) lost a fumble at the 1, had a pass intercepted and another dropped in the end zone, and had a field goal wiped out by a penalty.

CITRUS BOWL

California 37, Clemson 13: In Orlando, Florida, a 17-point first quarter sent California on its way to the rout and its first 10-victory season since 1949. Clemson had won its last five bowl games.

The Golden Bears (10-2) went 76 yards for a touchdown on their first drive and kept rolling as they won a New Year's Day game for the first time since 1938. Brian Treggs had a 72-yard punt return for a touchdown as part of his 108 yards in punt runbacks in the first period. Doug Brien kicked three field goals.

Mike Pawlawski, named most valuable player in the game, completed 21 of 32 passes for 230 yards for California and Russell White ran for 103 yards, about twice what Clemson's top-ranked run defense had allowed per game.

HALL OF FAME BOWL

Syracuse 24, Ohio St. 17: In Tampa, Florida, Syracuse used the long pass to stun the Buckeyes. Marvin Graves threw for touchdowns of 50 and 60 yards and hit Qadry Ismail with a 57-yarder that set up a field goal.

Shelby Hill had the 50-yard score, then Antonio Johnson streaked behind the defense to grab the 60-yarder with 7:05 remaining to break a 17-17 tie. Graves, who also had a 3-yard TD run, threw for a career-high 309 yards.

"We had to score, and we had to score quick," Graves said of the winning TD. "That was the way to do it."

Syracuse (10-2) concluded the season with a six-game winning streak, while Ohio State (8-4) finished with consecutive losses.

The Buckeyes had tied the game when Steve Tovar blocked Pat O'Neill's punt at the Syracuse 15 and Tito Paul recovered in the end zone.

Kathy Willens/The Associated Press

The Miami receiver Kevin Williams cradling a pass from the Hurricanes' Gino Torretta for a touchdown in the first quarter.

2 Polls Favor Hurricanes, But Coaches Tip Huskies

The Associated Press

Miami laid claim to its fourth national collegiate football championship in nine seasons on Thursday, finishing first in two national rankings, but Washington narrowly won a poll of coaches.

The Hurricanes won the The Associated Press media poll by the slimmest margin ever. They also topped the final rankings by The New York Times, while the Huskies were second. Washington won the USA Today-CNN coaches title.

Results of the United Press International final top 20 rankings were to be released later Thursday.

In the AP poll, Miami edged Washington by four points in the closest final vote in the 56-year history of the poll.

"It's great for the program," said Miami's coach, Dennis Erickson. "This team deserves to be No. 1."

Washington's coach, Don James, was disappointed by the AP vote, but his spirits soared later when the coaches' poll came out.

"I'm tremendously excited," he said. "I think it would have been a tragedy if one of us didn't get a trophy."

The Hurricanes and the Huskies both finished 12-0 after impressive bowl victories on Wednesday, the first time since the 1973 season that two major teams have gone undefeated and untied.

"I had a feeling it was going to be a split," Erickson said. "When you have two 12-0 teams, if somebody clear-cut won, I think it would be unfair. It doesn't make it any less satisfying because it was a split. We're national champions."

Washington, which trailed Miami by 14 points in the AP poll going into the bowls, almost overcame the deficit after demolishing Michigan in the Rose Bowl, 34-14. But Miami, which blanked Nebraska 22-0 in the Orange Bowl, barely held on to win the balloting by a nationwide panel of sportswriters and broadcasters.

The Hurricanes outpointed the Huskies, 1,472 to 1,468, including a narrow 32-to-28 advantage in first-place votes. It was so close that eight voters made Miami and Washington co-champions, giving each half of a first-place vote.

Teams get 25 points for a first-place vote, 24 for second and so on, down to one point for 25th place.

Previously, the closest final margin was Alabama's 16-point victory over Ohio State in 1961, when the national championship was determined before the bowls. Since the AP started its postseason poll in 1968, the smallest final margin had been 20 points, when Brigham Young edged Washington in 1984.

In the USA Today-CNN poll, Washington topped Miami by 9 points, 1,449½ to 1,440½, and 8 first-place votes, 33½ to 25½.

Miami, which won national titles in 1983, 1987, 1989 and 1990, is only the fifth school to capture four or more AP championships. Notre Dame leads with eight, followed by Oklahoma with six, Alabama with five and Minnesota with four.

Final AP College Poll

With first-place votes in parentheses, season records and total points based on 25 points for a first-place vote through one point for a 25th-place vote, and previous ranking:

	Record	Pts	Pvs
1. Miami (32)	12-0-0	1,472	1
2. Washington (28)	12-0-0	1,468	2
3. Penn St.	11-2-0	1,342	6
4. Florida St.	11-2-0	1,310	5
5. Alabama	11-1-0	1,216	8
6. Michigan	10-2-0	1,151	4
7. Florida	10-2-0	1,119	3
8. California	10-2-0	1,039	14
9. East Carolina	11-1-0	1,024	12
10. Iowa	10-1-1	862	7
11. Syracuse	10-2-0	876	16
12. Texas A&M	10-2-0	870	9
13. Notre Dame	10-3-0	848	18
14. Tennessee	9-3-0	716	10
15. Nebraska	9-2-1	666	11
16. Oklahoma	9-3-0	629	20
17. Georgia	9-3-0	428	24
18. Clemson	9-2-1	410	13
19. UCLA	9-3-0	406	22
20. Colorado	8-3-1	383	15
21. Tulsa	10-2-0	348	23
22. Stanford	8-4-0	262	17
23. Brigham Young	8-3-2	182	—
24. N. Carolina St.	9-3-0	109	21
25. Air Force	10-3-0	67	—

Times Computer Ranking

The New York Times final computer ranking, based on each team's weekly scores with emphasis on who won, by what margin and against what quality of opposition (determined by its record against other teams). The model collapses runaway scores, and recent games count more than earlier ones.

1. Miami, Fla., rating 1.000; 2. Washington, 0.949; 3. Penn St., 0.882; 4. Florida St., 0.873; 5. Michigan, 0.848; 6. Alabama, 0.835; 7. Florida, 0.831; 8. Nebraska, 0.823; 9. East Carolina, 0.819; 10. Syracuse, 0.814.

Notre Dame Rebounds To Stun Florida, 39-28

By Mark Maske
Washington Post Service

NEW ORLEANS — The 58th Sugar Bowl unexpectedly became a showcase for that old-fashioned — but recently forgotten — Notre Dame mystique. The Irish used equal parts grit, good fortune and second-half offensive flair as they stormed from behind to stun Florida, 39-28, with a late flurry before 76,447 at the Superdome.

SUGAR BOWL

Notre Dame fullback Jerome Bettis capped his team's 32-point second-half uprising by bulling his way to three touchdowns — on runs of 3, 49 and 36 yards — in the final five minutes on Wednesday night. After the second run, Gators quarterback Shane Matthews threw a 36-yard touchdown pass to Harrison Houston, but even Matthews's prolific night (28-of-58 passing for 370 yards, all Sugar Bowl records) could not overcome the Notre Dame surge.

Bettis provided 150 of the Irish's 279 rushing yards with his 16 carries, and quarterback Rick Mirer added a pair of touchdown passes for 18th-ranked Notre Dame (10-3) to leave Florida's best-ever season ending on a decidedly sour note.

The Gators finished 10-2, with their Sugar Bowl record now at 0-3.

"It was a tremendous effort," said the Irish coach, Lou Holtz, whose halftime decision to go to his running game almost exclusively resulted in 245 second-half yards on the ground. "This was a special occasion, and we had to rise to the occasion."

The Gators might have been comfortably ahead by halftime had they converted numerous scoring opportunities into touchdowns. Instead, a Matthews scoring pass and three of kicker Arden Czyzewski's Sugar Bowl-record five field goals made for a relatively modest 16-7 lead at intermission.

"We had a chance to score 50 points tonight," Coach Steve Spurrier said. "But we didn't do it, so we had to settle for what we got."

The Irish's 10 third-quarter points gave them the lead and paved the way for a seesaw final period in what ended up as the highest-scoring Sugar Bowl.

Florida jumped on top immediately, taking the opening kickoff and marching 85 yards for a touchdown. Matthews connected with Aubrey Hill for 21 yards on a third-and-11 play to keep the opening drive going, then finished it off with a strike to Willie Jackson, who had eight catches for 148 yards, on a slant pattern for a 15-yard TD pass just 4:20 into the contest.

The Irish then flirted with an early blowout when Clint Johnson fumbled the ensuing kickoff and Florida took over at the Notre Dame 39-yard line. Matthews, however, underthrew a deep ball along the sideline and was intercepted by cornerback Willie Clark.

5-TD Penn State Rally Rocks Tennessee, 42-17

By Jason Diamos
New York Times Service

TEMPE, Arizona — In one of the most improbable recent comebacks, a demoralized and beaten Penn State team scored five touchdowns in 8 minutes for a stunning 42-17 victory over Tennessee in the 21st Fiesta Bowl.

Midway through the third quarter on Wednesday, the Volunteers had outgained the Nittany Lions by 400 yards to 67 and were leading 17-7 when the punter, Tom Hutton, fearing a block, elected to take a 5-yard loss at his 42.

FIESTA BOWL

It was the first time since the game's first possession that Penn State found itself in Tennessee territory. And although the Nittany Lions were forced to punt, it marked the game's turning point.

The Penn State defense, which had been run ragged by Andy Kelly's passing, asserted itself, forcing a punt that O.J. McDuffie returned 39 yards to the Tennessee 35.

On third and 10, quarterback Tony Sacca, who at that time was struggling through one of the worst days of his collegiate career, found McDuffie on the sideline for 28 yards and a first and goal. Two plays later, Sacca hit Chip LaBarca in the end zone.

On Tennessee's next possession, Kelly was hit at his 13 by tackle Tyoka Jackson, who not only was held on the play but who also recovered the resulting fumble. A play later, Sacca rolled right, looked left and found tight end Kyle Brady open in the end zone, and Penn State led, 21-17.

The Vols were on the defensive and were rattled. A shaken Kelly missed his wingback Craig Faulkner, instead hitting the Nittany Lions linebacker Reggie Givens.

Givens returned the gift 8 yards to the Tennessee 26, and five plays later, on fourth-and-goal from the 1, Richie Anderson dived over a pile for an 11-point lead.

Kelly, who threw for 204 yards in the first half, but was only 4 of 14 in the second for 69 yards, went back to pass again. Penn State, which had introduced a blitzing scheme after the half, ran a corner blitz at Kelly and caught him blindsided.

As Derek Bochna jarred the ball from Kelly's hand at the Tennessee 25, Givens caught it in the air at the 23 and raced in for the fourth Nittany Lion touchdown in 4 minutes.

Kelly was finished. He threw an incompletion, was sacked on a blitz and completed a short screen before the Vols punted again.

McDuffie, Penn State's main offensive threat all season, returned it 10 yards to the Volunteers 49.

Five plays later, McDuffie ran an out to the sideline. As the defender, Jeremy Lincoln, slipped, McDuffie caught Sacca's pass and cut back toward the goal line, sprinting 37 yards for the final score.

Auburn's Pat Sullivan Named Coach at TCU

The Associated Press

FORT WORTH, Texas — The Auburn assistant coach Pat Sullivan, the 1971 Heisman Trophy winner, was named head football coach at Texas Christian on Thursday.

He replaces Jim Wacker, who left last month to become coach at Minnesota. Sullivan, 41, played at Auburn, where he was the all-time leading passer with 6,284 yards. From 1971 to 1975, he played for the NFL's Atlanta Falcons.

SCOREBOARD

HOCKEY

NHL Standings

WALES CONFERENCE

Patrick Division	W	L	T	Pts	GF	GA
Washington	26	13	1	53	179	134
N.Y. Rangers	25	14	1	51	152	129
Pittsburgh	22	13	4	48	186	145
New Jersey	18	14	6	42	142	113
Philadelphia	12	17	7	31	163	121
N.Y. Islanders	12	19	6	30	138	15
Adams Division						
Montreal	26	14	2	54	135	93
Boston	17	16	5	39	134	138
Hartford	14	18	4	32	115	131
Buffalo	12	19	6	30	116	131
Quebec	11	22	5	27	124	15

CAMPBELL CONFERENCE

Norris Division	W	L	T	Pts	GF	GA
Detroit	23	11	4	50	153	121
St. Louis	17	14	7	41	132	127
Chicago	15	16	9	39	126	130
Minnesota	16	16	3	35	115	117
Toronto	10	25	5	25	103	14
Smythe Division						
Vancouver	22	11	6	50	139	115
Winnipeg	16	16	8	40	122	128
Calgary	16	17	5	37	142	135
Edmonton	15	18	6	36	137	149
Los Angeles	14	16	7	35	132	145
San Jose	8	28	3	19	98	17
N.Y. Islanders				1	1	3—5
Washington				2	4	2—8

Turgeon (16) 2, King (23) 3; Hatcher (9), Burridge (15), Kypreos (2), Johansson (9), Kypreos (3), Cote (8), Ridley (16) 2. Shots on goal: New York (on Beaupre) 9-3-11—23. Washington (on Weeks, Healy) 11-15-8—34.

FOOTBALL

College Football

COLLEGE BOWL GAMES
Wednesday's Results

PEACH BOWL
At Atlanta
East Carolina 37, North Carolina State 34

HALL OF FAME BOWL
At Tampa, Florida
Syracuse 24, Ohio State 17

CITRUS BOWL
At Orlando, Florida
California 37, Clemson 13

COTTON BOWL
At Dallas
Florida State 10, Texas A&M 2

FIESTA BOWL
At Tempe, Arizona
Penn State 42, Tennessee 17

ROSE BOWL
At Pasadena, California
Washington 34, Michigan 14

ORANGE BOWL
At Miami
Miami 22, Nebraska 0

SUGAR BOWL
At New Orleans
Notre Dame 39, Florida 28

TENNIS

HOPMAN CUP
In Perth, Australia
Semifinals
Switzerland 2, Spain 0: Manuela Maleeva-Fragniere, Switzerland, def. Arantxa Sanchez Vicario, 6-3, 3-6, 6-3; Jakob Hlasek, Switzerland, def. Emilio Sanchez, 6-4, 6-3.

CRICKET

THIRD TEST
Australia vs. India, First Day
Thursday, in Sydney
Australia 1st innings: 234-4 (90 overs), at stumps

THIRD TEST
Sri Lanka vs. Pakistan, First Day
Thursday, in Faisalabad, Pakistan
Sri Lanka 1st innings: 205-9

ONE-DAY MATCH
Auckland vs. England
Thursday, in Auckland
Auckland: 156-9 (50 overs)
England: 158-5 (49.5 overs)
England won by 5 wickets.

BASKETBALL

National Basketball Association

NBA—Fined Chuck Person, Indiana, $7,500 for elbowing John Paxson, Chicago in Dec. 30 game. Fined Scott Williams, Stacey King, Cliff Levingston, Will Perdue, Bobby Hansen, B.J. Armstrong and Craig Hodges of Chicago and George McCloud, Greg Dreiling, LaSalle Thompson, Dale Davis and Kenny Williams of Indiana $500 each for leaving bench area.

CHARLOTTE—Signed Ron Grandison, forward.

CHICAGO—Activated Bill Cartwright, center, from injured reserve. Waived Mark Randall, forward.

L.A. CLIPPERS—Waived Tony Brown, forward.

MIAMI—Activated Sherman Douglas, guard.

MINNESOTA—Put Tod Murphy, forward, injured list.

ORLANDO—Put Brian Williams, forward, on injured list. Signed Anthony Bowie, guard.

HOCKEY

National Hockey League

HARTFORD—Sent Michel Picard, left wing, to Springfield, American Hockey League.

LOS ANGELES—Recalled Scott Blugstad, right wing, from Phoenix, International Hockey League. Assigned Ilkka Sinisalo, right wing, and David Geverde, goaltender, to Phoenix.

WASHINGTON—Signed Don Beaupre, goalie, to four-year contract.

WINNIPEG—Traded Warren Rychel, left wing, to Minnesota for Tony Joseph, right wing, and future considerations. Loaned Moe Mantha, defenseman, to U.S. Olympic Team.

COLLEGE

ARKANSAS STATE—Named Ray Perkins football coach.

MARYLAND—Named Mark Duffner football coach.

MINNESOTA—Named Bob DeBesse offensive coordinator, Marc Dove defensive coordinator, Scott Brown defensive line coach, Chip Garber defensive backs coach, Neal Mazzone quarterbacks coach, Hugh Nall tight ends coach, Joe Pannunzio offensive line coach and Charlie Williams, wide receivers coach.

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OBSERVER

A Hunger for Enemies

By Russell Baker

NEW YORK — Japan, be warned: America has an enemy habit. It has just spent a quarter of its lifetime cultivating this habit and, with Soviet Communism dead, it is suddenly like the cigarette fiend in need of smoke.

You know how desperate a smoker may be? You've seen those anti-smoking films where he wakes in the night craving smoke, only to find his pack empty. What does he do? Gets up, dresses, gets the car out — and in history's worst blizzard, too — and goes hunting cigarettes.

It's really like that when bad Mr. Cigarette gets claws into you. He is your friend, your comforter, the nasty fellow you can't live without.

He is part of the strength that sees you through life's hardest trials. In the same way our hostility to bad Mr. Communism strengthened us to endure the Korean War, the Vietnam War, the overthrow of the Mossadegh government in Iran and the Arbenz government in Guatemala, the Grenada invasion, the Bay of Pigs fiasco, the CIA's Nicaraguan war and all those other secret wars and coups we sponsored and financed, as well as the rebuilding of Europe and Japan, the witch hunts and assaults on our own traditions, the blacklists, the paranoia, the arms race, the atomic flirtations with doomsday, the squalid political campaigns, the squandering of national treasure, the spy fictions and comic strips and movies and television sitcoms and melodramas that became our national cultural staples.

□

It has been hard giving up that familiar old Communist devil. Yes, it was terrible, dangerous, awful — that Communist enemy. The smoke addict feels the same fear and loathing for his cigarette habit, yet it remains his friend, his comforter who can make him rise in the howling blizzard and go heroically into the night.

Giving up the Soviet enemy has been so hard for Americans that many simply refused for the longest time to believe what Mikhail Gorbachev was telling the world: that the old monster was on the ropes, knees buckling, in danger of never getting up again.

Washington people awesomely credentialed in anti-Communist wisdom refused to be fooled. Leave us not be lulled: Gorbachev was very likely up to those old Commie tricks, they said. These were people who talked to people who had spent billions and billions of once-good American dollars to learn everything knowable about the old evil empire, yet their enemy habit was so powerful they refused to believe what any tourist might have concluded after a weekend stay in Moscow: The place was falling apart.

□

Even now, with Gorbachev fallen, you find Washington types reluctant to quit whacking him for having been a Communist party operator throughout his career. One might suppose that, having managed the liquidation of such a vast, heavily armed and dangerous nation without bloodshed, he might deserve praise for pulling off something like a miracle.

But no, he is the last Soviet Communist left to gratify our habit, and he gets no mercy. For Americans who need their good old enemy fix, Gorbachev is the last store still open at 3 A. M. selling cigarettes.

There are still a few Communists left, of course. There is Fidel Castro in Cuba, a truly ruthless bunch in Beijing and the mysterious Kim Il Sung regime in North Korea. None of these can fill the enemy bill for a superpower with a serious habit.

Who is going to lose sleep over Castro after reflection that while we can hit Havana with H-bombs, all he can do in retaliation is dump sugar on the American market? North Korea will never do to satisfy an enemy habit. Most Americans can't find it on a map, and those who can remember that we've already fought a war there to defeat communism, with results that make them eager to forget it.

China? Possibly, but it's governed by such old men, and Americans don't really take old people seriously, with their inability to grasp the power of rock 'n' roll.

□

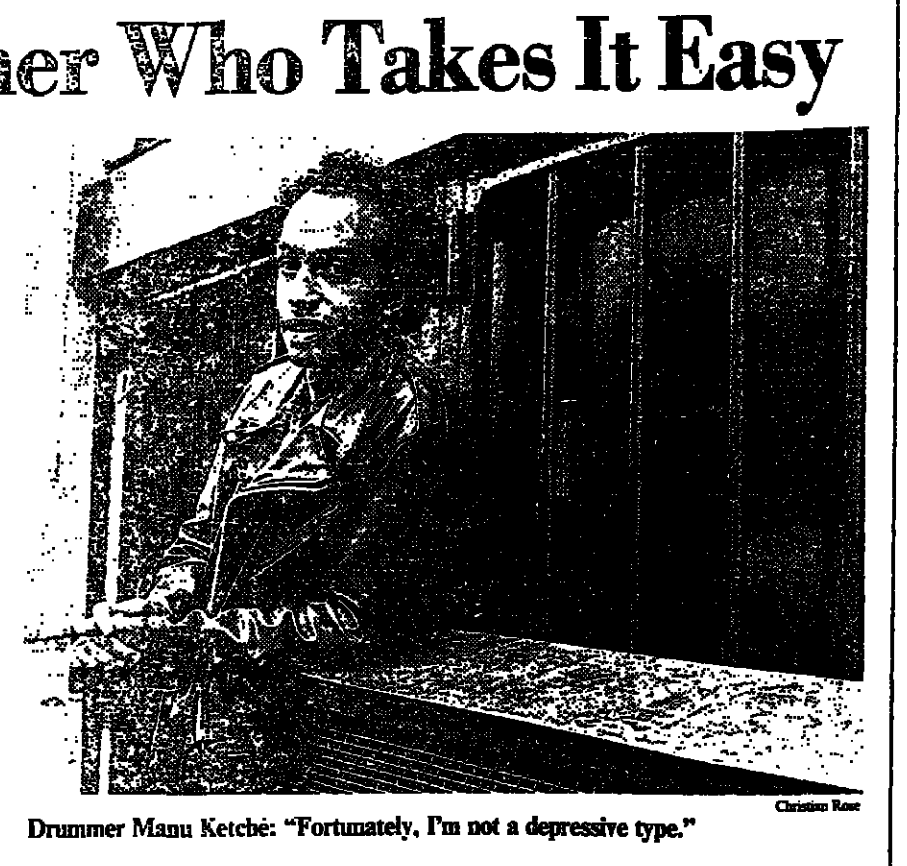
Which leaves Japan. Poor Japan. It makes such a splendid enemy for a country in need of a long-term fix. All that money the Japanese are making, and treating us ungenerously too. After all we did for them! What's more, they are starting to publish unflattering criticism of us. How is that for insolence?

Japan must watch its step. America needs an enemy fix.

New York Times Service

A Drummer Who Takes It Easy

By Mike Zwerin
International Herald Tribune



Drummer Manu Ketchè: "Fortunately, I'm not a depressive type."

Christian Rose

PARIS — On the surface, success seems to have come easily for Manu Katchè. Look deeper, and it seems easier yet. At least he gives the impression of ease, of being at peace with himself, of knowing his own strengths (and weaknesses), and most of all of enjoying the making of music as personal expression rather than marketing.

One thing sure, this is the first time a French singer has achieved an international reputation before releasing his first album in his own country. Rock's most in-demand drummer, Katchè has stepped up front into the spotlight with "It's About Time" (BMG), recently released in France and scheduled for January in the rest of the world.

Drummers who are original, commercial and sensitive at the same time are rare. Peter Gabriel, Sting, Joni Mitchell, Robbie Robertson, Tracy Chapman, Dire Straits and Simple Minds have been fighting for Katchè's services ever since Gabriel invited him to England to work on his album "So" in 1987.

Gabriel wanted somebody who could read as well as provide a Gallo-African touch to go with his brand of World Music. His bassist Tony Levin (ex-King Crimson) had worked with Katchè in Parisian studios and recommended him. There had been no need for an audition. It was easy, he wasn't nervous.

He wasn't even nervous a few months later when for the first time he played for close to 100,000 people (in Giants Stadium) with Gabriel on the Amnesty International tour. He knew he had reached the big time when he found himself riding from the catering area to the stage in a golf cart. Katchè does not get nervous — a challenge always pumps him up with excitement and desire. He prides himself in being up for money time, like a clutch hitter (an expression he likes in baseball). It's not overconfidence, it's just — easy.

Born in 1958 in an eastern suburb of Paris (his father is from Abidjan, Ivory Coast), he studied classical piano, then orchestral percussion and he passed the entrance examination for the elite Paris Conservatoire — an honor not for everyone. But he was listening to Otis Redding, the Rolling Stones and Weather Report, playing drums with the records in his basement. The pompous "serious" ambience of the classical music world turned him off and he decided to drop out of school and become a professional right away.

He made a living almost immediately, with singers Tania Maria and La Velle, and with jazz-rock fusion bands. His reputation grew quickly. He played with French variety stars like Michel Jonasz. Reading ability combined with his multipurpose personalized groove put him ahead of the competition and he was soon earning serious money in Parisian recording studios.

Going on the worldwide road with Peter Gabriel was not, however, personally easy. He was thrown off balance, felt lonely and lost in the Anglo-American world. Now that he had, at least, temporarily, left his culture behind, he realized that his high school English wasn't good enough and that the language would be essential to his survival.

He could have been depressed. "Fortunately," as he puts it. "I'm not a depressive type. I'm very optimistic and positive. I knew that if I didn't take the bull — you know — by the horns, it wouldn't work." So he soaked up the argot, the jokes, the business lingo. Like any good musician, he knows how to listen and he concentrated on that and at the end of six months he was no longer a stranger.

Circling the planet with a succession of names (including the Norwegian Euro-Jazz tenorman Jan Garbarek), he "discovered different countries, different cultures. I began thinking differently. I learned that as a musician you have to open up to many environments, to sense different vibrations — to open up to the world. I began to write songs in English with that in mind."

Now that he sings on his own album — mostly in lightly accented, melodious English — he hopes the world will open up to him. The combination of the English language with his French/African sensibility is uniquely delightful. No belter, he has an intimate voice that sets a mood (he compares himself to Michael Franks). Will the album sell? He has no idea. He wasn't trying to be commercial. He wants to make quality music that will also reach a mass audience and he knows how difficult that is. But Gabriel, Sting and Branford Marsalis have done it and he believes that they agreed to guest appearances on "It's About Time" not only because they are friends but because they also like the music.

Coming up, his first tour as leader in April. "First Europe, then the world" is the plan. He has not made up his mind about singing and playing drums at the same time. It takes the exceptional coordination of Don Henley or Phil Collins, who did it with the Eagles and Genesis respectively. Katchè's doubt deepens when he remembers having heard and seen Tony Williams sing in-tune and with feeling while his hi-hat flew in 7/8 time.

Whether or not he hires another drummer, however, he'll be no Mick Jagger cavorting around the stage. That's not his style. He'd like to exert key influence by the mere presence of his personality, which he says he has in fact always done on drums. He imagines himself wandering between keyboards, percussion and microphones, leading, as it were from the back.

He defines himself as a jazzman, a musician more than a showman, working small theaters and clubs where he can feel an intimate contact with the audience. There will be improvised solos and the order will vary from night to night.

"That's what I like and where I come from," he says. "Am I going to be able to pull it off? Will people understand it? We'll see."

Easy does it.

PEOPLE

Steinem Settles Down

After living in the same apartment for 25 years, **Gloria Steinem** says she is finally making her house a home. With a $700,000 advance for her next book, "Revolution from Within: A Book of Self-Esteem," she bought another apartment in the same Manhattan brownstone, joined it to her original one with a spiral staircase and created a real bedroom with a canopied, lace-covered bed. "I had lived in the apartment for at least four or five years before I found out the oven didn't work." Steinem, 57, told Vanity Fair in an interview in its January issue. "I don't know why it took me so long to realize you need to have a home. I guess I thought it was just something other people had." Steinem, a founder of Ms. magazine, said her career left her little time for domestic matters.

□

The astronomer **Carl Sagan** is the smartest person in the United States, if a poll of the readers of Parade magazine is to be trusted. Advised of the result of the poll, the science popularizer responded with a paradox: "A good definition of intelligence is understanding how little we understand of what there is to know." No. 2 in the poll is **H. Norman Schwarzkopf**, commander of the allied forces in the Gulf war, followed by the columnist **William F. Buckley Jr.**, the PBS television newsman **Bill Moyers** and **President George Bush**. The consumer advocate **Ralph Nader**, former President **Jimmy Carter**, a former Texas congresswoman, **Barbara Jordan**, former Secretary of State **Henry Kissinger** and the chairman of the Joint Chiefs of Staff, **General Colin Powell** rounded out the top 10. **Madonna** didn't make the top 20, but she got three more votes than **John Sununu**, the deposed White House chief of staff.

□

A federal appeals court in Philadelphia dismissed a suit against **Chief Justice Robert Wilentz** of New Jersey, ruling that Essex County did not have standing to sue over Wilentz's ban on filming scenes for "Bonfire of the Vanities" in the county courthouse. The appeals court said that Warner Bros. should have filed the suit but did not. The court upset a ruling in December 1990 by U. S. **District Judge Nicholas Politan**, who said that Wilentz barred the filming based only "on his objection to what the filmmaker intended to say and the fear that such a viewpoint would reflect poorly on the judiciary." Wilentz objected to scenes in which blacks riot in a courthouse. His decision cost the county $250,000 in fees. Warner Bros. did the filming in a courthouse in the New York City borough of Queens.

□

Richard Nixon is right on top of the book market. His latest, "Seize the Moment: America's Challenge in a One Superpower World," will be published officially Monday but a limited number of autographed copies already are on sale at the Nixon Library and Birthplace in Yorba Linda, California. In the 309-page book, Nixon suggests courses for peace and prosperity in the aftermath of the Cold War.

□

A Swedish committee has awarded the 1991 Olof Palme Prize to Amnesty International. The committee cited the London-based organization's "patient and devoted work to stand up for human rights in the world." The 150,000-kronor ($25,000) prize will be presented in Stockholm on Jan. 30, **Olof Palme's** birthday. He was Sweden's prime minister when he was assassinated in Stockholm nearly six years ago. Amnesty International, formed in 1961, won the Nobel Peace Prize in 1977. Previous Palme Prize recipients include the former UN secretary general, **Javier Pérez de Cuéllar** in 1988, Czechoslovak **President Vaclav Havel**, a dissident author when he won in 1989, and the French anti-racist movement SOS Racisme.

□

The British royal family was 10 percent more "productive" in 1991, with **Princess Anne** topping the list with more than 700 official engagements at home and abroad. In all, the royal family attended 3,270 events throughout the year in the United Kingdom, 324 more than in 1990, and 1,022 abroad. **Sarah, Duchess of York** and wife of the queen's son **Andrew**, who has been accused by British tabloids of idleness, doubled her work load last year, attending 213 events against 108 in 1990. The tally of engagements was made by an insurance agent, **Tim O'Donovan**, 59, who spends four hours a week tracking the royal agenda that appears daily in The Times of London.

INTERNATIONAL CLASSIFIED

PERSONALS

M. Stranded in the windy city, but missing you so very much. I love you. E.

LEGAL NOTICES

BRITISH & OVERSEAS INSURANCE COMPANY LIMITED

NOTICE IS HEREBY GIVEN pursuant to an Order of the High Court of Justice made on 4 October 1990 under the provisions of Section 112 Insolvency Act 1986, that the creditors of the above named company, which is being voluntarily wound-up, are required to submit their Proofs of Debt showing their names, addresses and providing details of their claims against the company and of any security held by them, to Ian Douglas Barker Bond, Joint Liquidator of the company, at Shelley House, 3 Noble Street, London, EC2V 7DQ, and to establish any entitlement they may have to priority on or before 31 March 1992.

Notice is also given pursuant to the aforementioned Court Order that creditors whose claims were agreed by the company during the period 1 March 1981 to 1 March 1986 maybe entitled to a distribution out of certain trust funds held by the company and such creditors must submit details of any such agreement of their claims to the Joint Liquidator at 3 Noble Street, London, EC2 on or before 31 March 1992.

Creditors who do not submit their Proof or details of their claim in respect of the trust funds on or before 31 March 1992 will be excluded from the first and final distribution to creditors in the liquidation and/or from any distribution to beneficiaries of the trust funds.

Dated 13 December 1991
I.D.B.Bond
Chartered Accountant
Joint Liquidator

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